EXHIBIT A - Part 1

As filed with the Securities and Exchange Commission on March 24, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008.

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell Company report
For the transition period from to .

Commission file number: 001-15244

Credit Suisse Group AG
(Exact name of Registrant as specified in its charter)
Canton of Zurich, Switzerland
(Jurisdiction of incorporation or organization)
Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland
(Address of principal executive offices)

Renato Fassbind
Chief Financial Officer
Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland
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Telephone: +41 44 333 1700
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(Name, Telephone, Email and/or Facsimile number and address of Company Contact Person)

Commission file number: 001-33434

Credit Suisse
(Exact name of Registrant as specified in its charter)
Canton of Zurich, Switzerland
(Jurisdiction of incorporation or organization)
Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland
(Address of principal executive offices)

Renato Fassbind
Chief Financial Officer
Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland
renato.fassbind@credit-suisse.com
Telephone: +41 44 333 1700
Fax: +41 44 333 1790
(Name, Telephone, Email and/or Facsimile number and address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class of securities of Credit Suisse Group	**Name of each exchange on which registered**
American Depositary Shares each representing one Share	New York Stock Exchange
Shares par value CHF 0.04*	New York Stock Exchange*
Title of each class of securities of Credit Suisse	
Fixed to Floating Rate Tier 1 Capital Notes	New York Stock Exchange
Floating Rate Tier 1 Capital Notes	New York Stock Exchange
7.9% Tier 1 Capital Notes	New York Stock Exchange
Buffered Accelerated Return Equity Securities (BARES) due November 6, 2012 Linked to the Performance of the CS/RT Emerging Infrastructure Index Powered by HOLT	NYSE Alternext US
Accelerated Return Equity Securities (ARES) due November 6, 2012 Linked to the Performance of the CS/RT Emerging Infrastructure Index Powered by HOLT	NYSE Alternext US
ELEMENTS due April 10, 2023 Linked to the MLCX Precious Metals Plus Index – Total Return	NYSE Arca
ELEMENTS due April 10, 2023 Linked to the Credit Suisse Global Warming Index, Exchange Series	NYSE Arca
ELEMENTS due April 10, 2023 Linked to the MLCX Gold Index – Total Return	NYSE Arca
ELEMENTS due April 10, 2023 Linked to the MLCX Livestock Index – Total Return	NYSE Arca
Title of each class of securities of Credit Suisse (USA), Inc.	
61/8% Notes due 2011	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2008: 1,163,892,033 shares of Credit Suisse Group AG

Indicate by check mark if the Registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the Registrants are not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports) and (2) have been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, or non-accelerated filers. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filers ☒ Accelerated filers ☐ Non-accelerated filers ☐

Indicate by check mark which basis of accounting the Registrants have used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If “other” has been checked in response to the previous question, indicate by check mark which financial statement item the Registrants have elected to follow.

Item 17 ☐ Item 18 ☒

If this is an annual report, indicate by check mark whether the Registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act)

Yes ☐ No ☒

*Not for trading, but only in connection with the registration of the American Depositary Shares.

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Definitions

For the purposes of this Form 20-F and the attached Annual Report 2008, unless the context otherwise requires, the terms "Credit Suisse Group," "Credit Suisse," "the Group," "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries and the term "the Bank" means Credit Suisse, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

The business of the Bank is substantially similar to the Group and except where noted or the context otherwise requires, information relating to the Group is also relevant to the Bank.

Sources

Throughout this Form 20-F and the attached Annual Report 2008, we describe the position and ranking of our various businesses in certain industry and geographic markets. The sources for such descriptions come from a variety of conventional publications generally accepted as relevant business indicators by members of the financial services industry. These sources include: Standard & Poor's, Thomson Financial, Dealogic, the Loan Pricing Corporation, Institutional Investor, Lipper, Moody's Investors Service and Fitch Ratings.

Cautionary statement regarding forward-looking information

For Credit Suisse and the Bank, please see Cautionary statement regarding forward-looking information on page 440 of the attached Annual Report 2008.

Part I

Item 1.
Identity of directors, senior management and advisers.

Not required because this Form 20-F is filed as an annual report.

Item 2.
Offer statistics and expected timetable.

Not required because this Form 20-F is filed as an annual report.

Item 3.
Key information.

A – Selected financial data.

For Credit Suisse and the Bank, please see IX – Additional information – Statistical information – Group on page 398 of the attached Annual Report 2008. For the Bank, please see IX – Additional information – Statistical information – Bank on page 399 of the attached Annual Report 2008.

B – Capitalization and indebtedness.

Not required because this Form 20-F is filed as an annual report.

C – Reasons for the offer and use of proceeds.

Not required because this Form 20-F is filed as an annual report.

D – Risk factors.

For Credit Suisse and the Bank, please see IX – Additional information – Risk factors on pages 421 to 428 of the attached Annual Report 2008.

Item 4.
Information on the company.

A – History and development of the company.
For Credit Suisse and the Bank, please see Operating as an Integrated Bank on pages 10 to 11, I – Information on the company – Review of the year's events on pages 14 to 15, and – Global reach of Credit Suisse on pages 32 to 33 and IV – Corporate governance – Company on page 141 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 3 – Business developments and subsequent events in V – Consolidated financial statements – Credit Suisse Group on pages 206 to 207 of the attached Annual Report 2008. For the Bank, please see Note 3 – Business developments and subsequent events in VII – Consolidated financial statements – Credit Suisse (Bank) on page 325 of the attached Annual Report 2008.

B – Business overview.
For Credit Suisse and the Bank, please see I – Information on the company on pages 16 to 38 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 5 – Segment information in V – Consolidated financial statements – Credit Suisse Group on pages 208 to 210 of the attached Annual Report 2008. For the Bank, please see Note 5 – Segment information in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 326 to 328 of the attached Annual Report 2008.

C – Organizational structure.
For Credit Suisse and the Bank, please see I – Information on the company – Organizational and regional structure on pages 30 to 31 and II – Operating and financial review – Credit Suisse – Differences between Group and Bank on pages 47 to 49 of the attached Annual Report 2008. For a list of Credit Suisse's significant subsidiaries, please see Note 38 – Significant subsidiaries and equity method investments in V – Consolidated financial statements – Credit Suisse Group on pages 276 to 278 of the attached Annual Report 2008. For a list of the Bank's significant subsidiaries, please see Note 36 – Significant subsidiaries and equity method investments in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 375 to 377 of the attached Annual Report 2008.

D – Property, plant and equipment.
For Credit Suisse and the Bank, please see IX – Additional information – Other information – Property and equipment on pages 433 to 434 of the attached Annual Report 2008.

Information Required by Industry Guide 3.
For Credit Suisse, please see IX – Additional information – Statistical information – Statistical information – Group on pages 400 to 413 of the attached Annual Report 2008. For the Bank, please see IX – Additional information – Statistical information – Statistical information – Bank on page 414 of the attached Annual Report 2008. In addition, for both Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet –Risk management – Credit risk – Loans and loan commitments –Impaired loans and – Provision for credit losses on pages 125 to 128 of the attached Annual Report 2008.

Item 4A.
Unresolved staff comments.

None.

Item 5. Operating and financial review and prospects.

A – Operating results.

For Credit Suisse and the Bank, please see II – Operating and financial review on pages 40 to 94 of the attached Annual Report 2008.

B – Liquidity and capital resources.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management on pages 96 to 111 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 24 – Long-term debt in V – Consolidated financial statements – Credit Suisse Group on pages 224 to 225 and Note 35 – Capital adequacy in V – Consolidated financial statements – Credit Suisse Group on page 273 of the attached Annual Report 2008. For the Bank, please see Note 23 – Long-term debt in VII – Consolidated financial statements – Credit Suisse (Bank) on page 340 and Note 34 – Capital adequacy in VII – Consolidated financial statements – Credit Suisse (Bank) on page 374 of the attached Annual Report 2008.

C – Research and development, patents and licenses, etc.

Not applicable.

D – Trend information.

For Credit Suisse and the Bank, please see Item 5.A of this Form 20-F.

E – Off-balance sheet arrangements.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet, off-balance sheet and other contractual obligations on pages 134 to 138 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 32 – Transfers of financial assets and variable interest entities in V – Consolidated financial statements – Credit Suisse Group on pages 251 to 261 of the attached Annual Report 2008. For the Bank, please see Note 31 – Transfers of financial assets and variable interest entities in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 361 to 367 of the attached Annual Report 2008.

F – Tabular disclosure of contractual obligations.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Balance sheet, off-balance sheet and other contractual obligations – Contractual obligations and other commercial commitments on pages 137 to 138 of the attached Annual Report 2008.

Item 6. Directors, senior management and employees.

A – Directors and senior management.

For Credit Suisse and the Bank, please see IV – Corporate governance – Board of Directors – Members of the Board and the Committees on pages 151 to 156, – Honorary Chairman of Credit Suisse Group on page 156, and – Executive Board on pages 157 to 161 of the attached Annual Report 2008.

B – Compensation.

For Credit Suisse and the Bank, please see IV – Corporate governance – Compensation on pages 162 to 178 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 10 – Compensation and benefits in V – Consolidated financial statements – Credit Suisse Group on page 211, Note 29 – Pension and other post-retirement benefits in V – Consolidated financial statements – Credit Suisse Group on pages 237 to 244, and Note 3 – Compensation and loans to members of the Board of Directors and the Executive Board in VI – Parent company financial statements – Credit Suisse Group on pages 299 to 307 of the attached Annual Report 2008. For the Bank, please see Note 10 – Compensation and benefits in VII – Consolidated financial statements – Credit Suisse (Bank) on page 330 and Note 28 – Pension and other post-retirement benefits in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 351 to 357 of the attached Annual Report 2008.

C – Board practices.

For Credit Suisse and the Bank, please see IV – Corporate governance – Board of Directors and – Executive Board on pages 147 to 161 of the attached Annual Report 2008.

D – Employees.

For Credit Suisse and the Bank, please see IV – Corporate governance – Overview – Company – Employees on pages 141 to 142 of the attached Annual Report 2008.

E – Share ownership.

For Credit Suisse and the Bank, please see IV – Corporate governance – Compensation – Overview of the components of compensation at Credit Suisse on pages 164 to 170 and – Compensation and loans to members of the Board and the Executive Board on pages 171 to 178 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 27, Employee share-based compensation and other compensation benefits in V – Consolidated financial statements – Credit Suisse Group on pages 230 to 236, and Note 3 – Compensation and loans to members of the Board of Directors and the Executive Board in VI – Parent company financial statements – Credit Suisse Group on pages 299 to 307 of the attached Annual Report 2008. For the Bank, please see Note 26 – Employee share-based compensation and other compensation benefits in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 346 to 349 of the attached Annual Report 2008.

Item 7. Major shareholders and related party transactions.

A – Major shareholders.

For Credit Suisse, please see IV – Corporate governance – Shareholders on pages 143 to 146 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 7 – Own shares held by the company and by group companies in VI – Parent company financial statements – Credit Suisse Group on page 308 of the attached Annual Report 2008. Credit Suisse's major shareholders do not have different voting rights. The Bank has 43,996,652 shares outstanding and is a wholly-owned subsidiary of Credit Suisse.

B – Related party transactions.

For Credit Suisse and the Bank, please see IV – Corporate governance – Compensation – Compensation and loans to members of the Board and the Executive Board on pages 171 to 178 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 28 – Related parties in V – Consolidated financial statements – Credit Suisse Group on pages 236 to 237 of the attached Annual Report 2008. For the Bank, please see Note 27 – Related parties in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 349 to 350 of the attached Annual Report 2008.

C – Interests of experts and counsel.

Not applicable because this Form 20-F is filed as an annual report.

Item 8. Financial information.

A – Consolidated statements and other financial information.

Please see Item18 of this Form 20-F.

For a description of Credit Suisse's and the Bank's legal or arbitration proceedings, please see IX – Additional information – Legal proceedings on pages 416 to 420 of the attached Annual Report 2008. In addition, for Credit Suisse, please see Note 37 – Litigation in V – Consolidated financial statements – Credit Suisse Group on pages 274 to 275 of the attached Annual Report 2008. For the Bank, please see Note 35 – Litigation in VII – Consolidated financial statements – Credit Suisse (Bank) on page 374 of the attached Annual Report 2008.

For a description of Credit Suisse's policy on dividend distributions, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Dividends and dividend policy on pages 107 to 108 of the attached Annual Report 2008.

B – Significant changes.

None.

Item 9.
The offer and listing.

A – Offer and listing details, C – Markets.
For information regarding the price history of Credit Suisse Group shares and the stock exchanges and other regulated markets on which they are listed or traded, please see IX – Additional information – Other information – Listing details on pages 432 to 433 of the attached Annual Report 2008. Shares of the Bank are not listed.

B – Plan of distribution, D – Selling shareholders, E – Dilution, F – Expenses of the issue.
Not required because this Form 20-F is filed as an annual report.

Item 10.
Additional information.

A – Share capital.
Not required because this Form 20-F is filed as an annual report.

B – Memorandum and Articles of Association.
For Credit Suisse, please see IV – Corporate governance – Overview, – Shareholders and – Board of Directors on pages 140 to 156 and – Additional information – Changes of control and defense measures on pages 179 to 180 of the attached Annual Report 2008. Shares of the Bank are not listed.

C – Material contracts.
For Credit Suisse, please see IX – Additional information – Other information – Material contract on page 429 of the attached Annual Report 2008. The Bank does not have any contract that would constitute a material contract for the two years immediately preceding this Form 20-F.

D – Exchange controls.
For Credit Suisse and the Bank, please see IX – Additional information – Other information – Exchange controls on page 429 of the attached Annual Report 2008.

E – Taxation.
For Credit Suisse, please see IX – Additional information – Other information – Taxation on pages 429 to 432 of the attached Annual Report 2008. The Bank does not have any public shareholders.

F – Dividends and paying agents.
Not required because this Form 20-F is filed as an annual report.

G – Statement by experts.
Not required because this Form 20-F is filed as an annual report.

H – Documents on display.
Credit Suisse and the Bank file periodic reports and other information with the SEC. You may read and copy any document that Credit Suisse or the Bank files with the SEC on the SEC's website, www.sec.gov, or at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 (in the US) or at +1 202 942 8088 (outside the US) for further information on the operation of its public reference room. You may also inspect Credit Suisse's and the Bank's SEC reports and other information at the New York Stock Exchange, 11 Wall Street, New York, NY 10005.

The information Credit Suisse or the Bank files with the SEC may also be found on the Credit Suisse website at www.credit-suisse.com. In addition, our website also contains corporate governance policies and other documents of Credit Suisse and the Bank. Information contained on our website is not incorporated by reference into this Form 20-F.

I – Subsidiary information.
Not applicable.

Item 11. Quantitative and qualitative disclosures about market risk.

For Credit Suisse and the Bank, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management on pages 112 to 133 of the attached Annual Report 2008.

Item 12. Description of securities other than equity securities.

Not required because this Form 20-F is filed as an annual report.

PART II

Item 13.
Defaults, dividend arrearages and delinquencies.

None.

Item 14.
Material modifications to the rights of security holders and use of proceeds.

None.

Item 15.
Controls and procedures.

For Credit Suisse's management report and the related report from the Group's independent auditors, please see Controls and procedures in V – Consolidated financial statements – Credit Suisse Group on pages 290 to 292 of the attached Annual Report 2008. For the Bank's management report and the related report from the Bank's independent auditors, please see Controls and procedures in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 378 to 380 of the attached Annual Report 2008.

Item 16A.
Audit committee financial expert.

For Credit Suisse and the Bank, please see IV – Corporate governance – Board of Directors – Board committees – Audit Committee on pages 149 to 150 of the attached Annual Report 2008.

Item 16B.
Code of ethics.

For Credit Suisse and the Bank, please see IV – Corporate governance – Overview – Corporate governance framework on page 140 of the attached Annual Report 2008. We have posted a copy of our Code of Conduct on our website at www.credit-suisse.com.

Item 16C.
Principal accountant fees and services.

For Credit Suisse and the Bank, please see IV – Corporate governance – Additional Information – Internal and external auditors on pages 179 to 180 of the attached Annual Report 2008.

Item 16D.
Exemptions from the listing standards for audit committee.

None.

Item 16E.
Purchases of equity securities by the issuer and affiliated purchasers.

For Credit Suisse, please see III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management – Capital management – Share repurchase activities on pages 106 to 107 of the attached Annual Report 2008. The Bank does not have any class of equity securities registered pursuant to Section 12 of the Exchange Act.

Item 16F. Change in registrants' certifying accountant.

None.

Item 16G. Corporate governance.

For Credit Suisse, please see IV – Corporate governance–Overview–Complying with rules and regulations on page 140 of the attached Annual Report 2008. Shares of the Bank are not listed.

PART III

Item 17.
Financial statements.

Not applicable.

Item 18.
Financial statements.

Credit Suisse's consolidated financial statements, together with the notes thereto and the Report of the Independent Registered Public Accounting Firm thereon, are set forth on pages 183 to 289 of the attached Annual Report 2008 and incorporated by reference herein. The Bank's consolidated financial statements, together with the notes thereto (and any notes or portions thereof in the consolidated financial statements of Credit Suisse Group referred to therein) and the Report of the Independent Registered Public Accounting Firm thereon, are set forth on pages 315 to 377 of the attached Annual Report 2008 and incorporated by reference herein.

Item 19. Exhibits.

1.1 Articles of association (Statuten) of Credit Suisse Group AG as of January 28, 2009.

1.2 Articles of association (Statuten) of Credit Suisse (Bank) as of August 26, 2008.

1.3 Organizational Guidelines and Regulations of Credit Suisse Group and Credit Suisse (OGR) as of March 24, 2009.

7.1 Computations of ratios of earnings to fixed charges of Credit Suisse Group and of the Bank are set forth under IX – Additional Information – Statistical information – Ratio of earnings to fixed charges – Group and – Ratio of earnings to fixed charges – Bank on page 415 of the attached Annual Report 2008 and incorporated by reference herein.

8.1 Significant subsidiaries of Credit Suisse are set forth in Note 38 – Significant subsidiaries and equity method investments in V – Consolidated financial statements – Credit Suisse Group on pages 276 to 278, and significant subsidiaries of the Bank are set forth in Note 36 – Significant subsidiaries and equity method investments in VII – Consolidated financial statements – Credit Suisse (Bank) on pages 375 to 377 in the attached Annual Report 2008 and incorporated by reference herein.

9.1 Consent of KPMG Klynveld Peat Marwick Goerdeler SA, Zurich with respect to Credit Suisse Group AG consolidated financial statements.

9.2 Consent of KPMG Klynveld Peat Marwick Goerdeler SA, Zurich with respect to the Credit Suisse (Bank) consolidated financial statements.

12.1 Rule 13a-14(a) certification of the Chief Executive Officer of Credit Suisse Group AG and Credit Suisse (Bank), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

12.2 Rule 13a-14(a) certification of the Chief Financial Officer of Credit Suisse Group AG and Credit Suisse (Bank), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

13.1 Certifications pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Credit Suisse Group AG and Credit Suisse (Bank).

SIGNATURES

Each of the registrants hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CREDIT SUISSE GROUP
(Registrant)
Date: March 24, 2009

/s/ Brady W. Dougan	/s/ Renato Fassbind
Name: Brady W. Dougan	Name: Renato Fassbind
Title: Chief Executive Officer	Title: Chief Financial Officer

CREDIT SUISSE
(Registrant)
Date: March 24, 2009

/s/ Brady W. Dougan	/s/ Renato Fassbind
Name: Brady W. Dougan	Name: Renato Fassbind
Title: Chief Executive Officer	Title: Chief Financial Officer

CREDIT SUISSE

Annual Report 2008

Financial highlights

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Net income (CHF million)					
Income/(loss) from continuing operations	(7,687)	7,754	8,295	–	(7)
Net income/(loss)	(8,218)	7,760	11,327	–	(31)
Earnings per share (CHF)					
Basic earnings/(loss) per share from continuing operations	(7.33)	7.42	7.54	–	(2)
Basic earnings/(loss) per share	(7.83)	7.43	10.30	–	(28)
Diluted earnings/(loss) per share from continuing operations	(7.33)	6.95	7.20	–	(3)
Diluted earnings/(loss) per share	(7.83)	6.96	9.83	–	(29)
Return on equity (%)					
Return on equity	(21.1)	18.0	27.5	–	–
Core Results (CHF million)					
Net revenues	11,862	34,539	34,480	(66)	0
Provision for credit losses	813	240	(111)	239	–
Total operating expenses	23,212	25,159	23,832	(8)	6
Income/(loss) from continuing operations before taxes	(12,163)	9,140	10,759	–	(15)
Core Results statement of operations metrics (%)					
Cost/income ratio	195.7	72.8	69.1	–	–
Pre-tax income margin	(102.5)	26.5	31.2	–	–
Effective tax rate	37.8	13.7	22.2	–	–
Income margin from continuing operations	(64.8)	22.4	24.1	–	–
Net income margin	(69.3)	22.5	32.9	–	–
Assets under management and net new assets (CHF billion)					
Assets under management from continuing operations	1,106.1	1,462.8	1,402.7	(24.4)	4.3
Net new assets	(3.0)	43.2	88.4	–	–
Balance sheet statistics (CHF million)					
Total assets	1,170,350	1,360,680	1,255,956	(14)	8
Net loans	235,797	240,534	208,127	(2)	16
Total shareholders' equity	32,302	43,199	43,586	(25)	(1)
Book value per share outstanding (CHF)					
Total book value per share	27.75	42.33	41.02	(34)	3
Tangible book value per share [1]	19.37	31.23	30.20	(38)	3
Shares outstanding (million)					
Common shares issued	1,184.6	1,162.4	1,214.9	2	(4)
Treasury shares	(20.7)	(141.8)	(152.4)	(85)	(7)
Shares outstanding	1,163.9	1,020.6	1,062.5	14	(4)
Market capitalization					
Market capitalization (CHF million)	33,762	76,024	99,949	(56)	(24)
Market capitalization (USD million)	33,478	67,093	81,894	(50)	(18)
BIS statistics [2]					
Risk-weighted assets (CHF million)	257,467	312,068	253,676	–	23
Tier 1 ratio (%)	13.3	11.1	13.9	–	–
Total capital ratio (%)	17.9	14.5	18.4	–	–
Number of employees (full-time equivalents)					
Number of employees	47,800	48,100	44,900	(1)	7

[1] Based on tangible shareholders' equity, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity. Management believes that tangible shareholders' equity is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired. [2] Under Basel II from January 1, 2008. Prior periods are reported under Basel I and therefore are not comparable. For further information, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

Annual Report

2008

January 26, 2009, 5 p.m., Credit Suisse, Three Exchange Square, Hong Kong

Founded in 1856, we have today a truly global reach, with operations in over 50 countries and a team of more than 47,000 employees with some 100 different nationalities represented. Our global presence across all time zones enables us to serve our clients around the clock. As one of the world's leading banks, we strive to make our entire financial expertise available to high-net-worth individuals and corporate, institutional, and government clients worldwide, as well as to retail clients in Switzerland. Our diverse client base has three divisions at its disposal – Private Banking, Investment Banking and Asset Management – which cooperate closely to provide integrated financial solutions.

Dear shareholders, clients and colleagues

Credit Suisse recorded a net loss of CHF 8,218 million in 2008. Our loss from continuing operations was CHF 7,687 million. While these results are clearly disappointing, we nevertheless continued to strengthen our businesses during the year. Our overall approach was one of conservatism, and we delivered on our four main areas for 2008.

Our first priority was to maintain our capital strength. As a result of our efforts, Credit Suisse entered 2009 with one of the strongest capital ratios in the industry – 13.3% at the end of 2008 – which we achieved without significantly diluting shareholders. We see our capital strength as a key competitive advantage at a time when clients are increasingly seeking a solid and trusted financial partner. In addition, we raised a total of CHF 37.1 billion of long-term debt. The Board of Directors will propose a cash dividend of CHF 0.10 per share for the financial year 2008 to the Annual General Meeting on April 24, 2009.

Second, we succeeded in substantially reducing our level of risk in Investment Banking. By the end of 2008, our illiquid leveraged finance and structured products positions had decreased by 87% compared to the end of the third quarter of 2007. In addition, risk-weighted assets declined by 31% from the end of 2007. We will continue to target further substantial risk reductions during 2009.

Our third priority was to maintain client momentum across our businesses. Our efforts proved particularly effective in Private Banking, which was solidly profitable through 2008 and recorded over CHF 50 billion of net new assets. While our overall performance in Investment Banking was disappointing, we nevertheless maintained good momentum in client-driven businesses such as flow-based rate products, foreign exchange, prime services and cash equities, where we produced good results for the year. In Asset Management, where significant valuation reductions impacted our overall result, we generated good inflows of net new assets in the high-margin alternative investments business.

The fourth priority for 2008 was to accelerate the implementation of our strategy. Credit Suisse delivered on this goal across all three divisions: In Private Banking, we added 340 relationship managers to our Wealth Management team. In Investment Banking, we took steps to build a more client-focused, capital-efficient and streamlined operating model that should reduce earnings volatility and better leverage the strengths of our integrated bank. In Asset Management, we made tangible progress in our efforts to streamline our business portfolio by closing our money market funds and agreeing to sell the majority of our traditional funds business to Aberdeen Asset Management in the UK, among other measures. As a result of these steps, we believe that Credit Suisse is well positioned for a protracted period of market disruption or for a market recovery.

2008 financial performance

Credit Suisse reported a loss from continuing operations of CHF 7,687 million for 2008, compared to income from continuing operations of CHF 7,754 million in 2007. Excluding costs after tax from the accelerated implementation of our strategic plan, our 2008 loss from continuing operations was CHF 7,100 million. Core net revenues were CHF 11,862 million in 2008 compared to CHF 34,539 million in the prior year.

Private Banking demonstrated its resilience in 2008, delivering solid net revenues of CHF 12,907 million despite the challenging operating environment. Pre-tax income declined by 30% to CHF 3,850 million compared to 2007. The Wealth Management business reported pre-tax income of CHF 2,083 million, down 46% year on year. Net revenues remained solid but were 8% below the level of 2007, reflecting reduced client activity and lower average assets under management. Our Swiss Corporate & Retail Banking business achieved record pre-tax income of CHF 1,767 million for 2008, up 9% from 2007. Net revenues grew by 5% compared to the prior year.

Brady W. Dougan, Chief Executive Officer (left), Walter B. Kielholz, Chairman of the Board of Directors. In the background is a portrait of Alfred Escher who founded Credit Suisse in 1856.

Investment Banking posted a pre-tax loss of CHF 13,850 million for 2008, compared to pre-tax income of CHF 3,649 million in 2007. This result includes combined net valuation writedowns of CHF 10,923 million in the leveraged finance and structured products businesses. Net revenues were negative CHF 1,835 million in 2008, compared to positive CHF 18,958 million in 2007. This decline reflects significant losses in a number of businesses – including long/short and event and risk arbitrage trading strategies, equity derivatives, emerging markets trading and convertibles – due to the extreme volatility in the second half of the year. At the same time, we reported good results in our client-driven businesses.

Asset Management reported a pre-tax loss of CHF 1,127 million in 2008, compared to pre-tax income of CHF 197 million in 2007. Net revenues decreased by 75% to CHF 496 million, primarily as a result of private equity and other investment-related losses of CHF 676 million compared to strong gains in 2007.

Integrated model proves robust

Throughout 2008, the cooperation between our businesses based on our integrated model provided Credit Suisse with a source of stable, high-margin revenues in an environment characterized by significantly lower volumes. In total, we generated CHF 5.2 billion of revenues from our cross-divisional activities, a decline of only 12% compared to 2007, which benefited from much more favorable market conditions. This result has clearly confirmed the robustness of the integrated model, which enables us to capitalize on the highly complementary nature of our businesses in order to deliver holistic solutions to our clients. It also helps us to capture the outstanding synergy potential between our divisions and to realize enhanced operating efficiencies.

We remain firmly committed to our business model and have entered 2009 with a clear understanding of where the best opportunities for enhanced collaboration lie. We are therefore confident that we will succeed in realizing our target of at least CHF 10 billion of revenues from cross-divisional collaboration in 2012.

Strategic priorities for 2009

Credit Suisse will take a number of steps in 2009 to address the challenges and capture the opportunities presented by the new market environment, in line with the accelerated strategic plan announced in December 2008. Our 2009 priorities in our three divisions are as follows:

In Private Banking, we will continue to judiciously invest in growth, both globally and in our Swiss businesses. We see significant potential to gain market share in Switzerland in both Wealth Management and Corporate & Retail Banking and are increasingly benefiting from our strength and stability among our client base. At the same time, we will strive to further enhance the efficiency of this business.

In Investment Banking, we will continue to reposition the business in line with the changed competitive environment and market conditions. This includes building on the momentum we have already achieved in areas such as algorithmic trading, cash equities, prime services, rates, foreign exchange, high grade credit and strategic advisory businesses. We will also aim to capture opportunities to increase client coverage in selected businesses such as our leading emerging markets franchise. At the same time, we will further reduce origination capacity in complex credit and structured product businesses and cut risk capital usage – particularly by exiting certain proprietary and principal trading operations.

In Asset Management, we will continue to focus our resources on alternative investments, asset allocation and the Swiss businesses, all of which are scalable, high-margin activities that provide excellent investment opportunities for our clients. Our goal is to become the leading alternative investment manager globally. We will strive to achieve this by leveraging our existing strengths in areas such as private equity, and by closing gaps in areas such as single manager hedge funds. We will also further build on our strong presence in our Swiss home market.

While strengthening our businesses, it is, of course, imperative that we continue to rigorously control costs. The cost efficiency initiatives we launched last December will result in a headcount reduction of approximately 5,300 worldwide. By the end of 2008, 2,600 of these reductions had already taken place and the rest are expected to be completed by mid-2009. Together with additional reductions in compensation and non-compensation expenses, these strategic measures should enable us to lower our cost base by CHF 2 billion.

Responsible compensation policy

Compensation is an important issue – both in terms of the way we manage our business and also in the wider social context. At Credit Suisse, we believe that variable compensation is an important component of compensation that helps to safeguard our flexibility in an industry that is subject to cyclical revenue patterns. We have worked hard to develop a prudent and constructive approach to compensation that reflects both the performance of the company as a whole and the individual efforts of our employees, while also taking account of the interests of our shareholders. The level of variable compensation paid by Credit Suisse in the form of unrestricted cash decreased by more than 60% in 2008 compared to 2007. The actual year-on-year reduction in compensation varied according to the business area and seniority of employees. The decline was more pronounced for senior employees than for junior employees. Overall variable compensation, which includes unrestricted cash and retention payments designed to align the interests of shareholders and employees, decreased by 44% compared to the prior year.

Our managing directors did not receive any unrestricted cash payments in addition to their fixed salaries in 2008. Instead, the vast majority of payments took the form of retention awards. Many of our managing directors and directors received awards in the new PAF program, which will only pay out over time as the corresponding assets are liquidated.

The Chairman, the CEO and the CEO Investment Banking did not receive any variable compensation in 2008. With the exception of three individuals who had contractual arrangements, the remaining members of the Executive Board only received retention payments in addition to their salary, and they did not receive any unrestricted cash payments. We believe that the decision to grant retention awards for 2008 will support motivation among Credit Suisse's senior managers and encourage them in their efforts to create value for our shareholders. By adopting this approach to compensation in 2008, we believe that we have taken responsible measures to balance the interests of our shareholders and employees.

Changes to the Board of Directors

In early March, Credit Suisse Group announced a number of changes to its Board of Directors.

Hans-Ulrich Doerig, currently Vice-Chairman, will be appointed Chairman of Credit Suisse Group subject to his re-election as a member of the Board of Directors at the Annual General Meeting (AGM) on April 24, 2009. He will take over from Walter B. Kielholz, who has decided to step down as Chairman of Credit Suisse Group at the AGM in order to focus on his new role as Chairman of Swiss Re. Walter Kielholz will, however, stand for re-election to the Board of Credit Suisse Group as a member with no functional duties.

Urs Rohner, currently Chief Operating Officer and General Counsel of Credit Suisse, will be proposed for election to the Board of Directors at the AGM and, if elected, will assume the role of full-time Vice-Chairman. John Tiner, CEO of the UK firm Resolution and former CEO of the UK FSA, and Andreas Koopmann, CEO of Bobst Group, will be proposed for election to the Board of Directors of Credit Suisse Group.

In view of Credit Suisse's very strong capital base, clear strategy, experienced Board of Directors and excellent management team, the Board considered this the appropriate time for this transition.

Positioned for future success

While the uncertainty of the current environment makes it difficult to predict the development of our business for the full year, Credit Suisse has had a strong start to 2009. Overall, we have positioned our businesses to be less susceptible to negative market trends if they persist in the coming months and to prosper when markets recover – thus benefiting our shareholders, clients and employees.

Yours sincerely

Walter B. Kielholz
March 2009

Brady W. Dougan

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For purposes of this report, unless the context otherwise requires, the terms "Credit Suisse Group", "Credit Suisse", "the Group," "we," "us" and "our" mean Credit Suisse Group AG and its consolidated subsidiaries. The business of Credit Suisse, the Swiss bank subsidiary of the Group, is substantially similar to the Group, and we use these terms to refer to both when the subject is the same or substantially similar. We use the term "the Bank" when we are only referring to Credit Suisse, the Swiss bank subsidiary of the Group, and its consolidated subsidiaries.

In various tables, use of "-" indicates not meaningful or not applicable.

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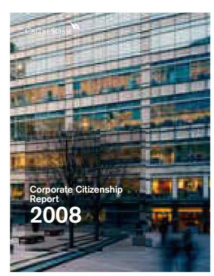

For additional information about our business activities and a summary of our financial performance during the year, refer to the Business Review 2008. For information on how the Group assumes its responsibilities when conducting its business activities, including its commitments toward the environment and various stakeholders within society, refer to the Corporate Citizenship Report 2008. You can order these two reports on our website: *www.credit-suisse.com*.

Operating as an Integrated Bank Credit Suisse has operated as an integrated bank since 2006, when our three divisions – Private Banking, Investment Banking and Asset Management – moved closer together to combine their strengths. Shared Services ensures that the divisions benefit from first-rate support in areas ranging from finance to human resources and information technology.

Our regional structure – covering Switzerland, Europe, Middle East and Africa, the Americas and Asia Pacific – ensures that we present a single face to our clients around the world. This not only helps foster collaboration throughout the Group, it also strengthens our ability to deliver integrated and innovative solutions to our clients.

Our ability to deliver high-value customized products and services sets us apart from our peers. Institutional and private clients alike value the tailored financial solutions offered by our integrated model.

Divisions

Private Banking
Private Banking offers a wide range of banking solutions and comprehensive advice to private, corporate and institutional clients. The Private Banking division comprises Wealth Management and Corporate & Retail Banking, the former serving some 700,000 high-net-worth individuals worldwide with assets under management exceeding CHF 0.25 million to CHF 1 million, depending on the location. Corporate & Retail Banking serves 1.7 million retail, corporate and institutional clients in Switzerland.

Investment Banking
Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage and capital raising services, corporate advisory and comprehensive investment research. Clients include corporations, governments and institutional investors around the world. Credit Suisse delivers its investment banking capabilities via regional and local teams based in major global markets and business centers.

Asset Management
Asset Management offers a wide range of investment products and functions across asset classes, for all investment styles. The division manages global and regional portfolios, mutual funds and other investment vehicles for governments, institutions, corporations and individuals worldwide. To deliver the best investment performance, Asset Management operates as a global integrated network in close collaboration with the Private Banking and Investment Banking divisions.

Shared Services

Shared Services provides high-quality, cost-effective corporate services and business support in the fields of finance, legal and compliance, risk management, operations and human resources and information technology.

Regions

Switzerland
Our home market is Switzerland, where we are a leading bank for corporate, private banking and retail clients. Private banking clients use over 70 locations nationwide, while teams of key account managers serve our largest domestic corporate clients. Relationship managers at 40 branches and a business center care for small and medium-sized companies. We also have 220 offices for retail clients, and contact centers in the German-, French- and Italian-speaking areas.

EMEA
The EMEA region is a diverse mix of developed and emerging markets with 74 offices in 28 countries. In addition to our long-standing local presence throughout Europe, including France, Germany, Italy, Spain and the UK, we also have a strong presence in key growth markets including Russia, Kazakhstan, Turkey and the Middle East. In 2008 we opened offices in Bologna and Parma (Italy), Birmingham (UK) and Riyadh (Saudi Arabia).

Americas
The Americas region comprises operations in the US, Canada, Latin America and the Caribbean. Our three divisions – Private Banking, Investment Banking and Asset Management – are strongly represented across the region. With offices in 54 cities spanning 14 countries, our clients have local access to our global capabilities in their home markets.

Asia Pacific
The Asia Pacific region comprises operations throughout the region, with 25 offices in 13 countries. China and India are our fastest-growing private banking markets in the region, while Singapore is home to Credit Suisse's largest private banking operations outside Switzerland. Investment Banking is another pillar of the business in the region. We have a presence in markets including Australia, Hong Kong, Japan, South Korea and Thailand. In 2008, we opened offices in Karachi (Pakistan) and New Delhi (India).

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Review of the year’s events

Credit Suisse

January

Client focus We launched a global key client coverage model, building on the momentum of the integrated bank.

Regulations We moved to Basel II, agreeing on the use of advanced measurement approaches of risk and capital management.

Indonesia We started executing trades as a full member of the Indonesia Stock Exchange.

February

Eric Varvel was promoted to the role of CEO of our EMEA region.

Repricing of positions Some of our asset-backed positions had to be repriced. A material internal control weakness was discovered and has since been fully remedied.

March

Alternative energy We committed USD 300 million to the alternative energy sector through Hudson Clean Energy Partners.

Australia We strengthened our position in Australia by investing in an equity trading platform on the Australian Stock Exchange.

Gulf region We announced a strategic alliance with the private equity firm Gulf Capital, to make growth-oriented investments.

April

Robert Shafir took up the position of CEO of the Asset Management division, in addition to his CEO role for the Americas region.

Latin America Our first private equity fund targeting investment opportunities in Latin America was set up with USD 300 million in investment capital.

May

India We opened a wealth management business in Mumbai to provide our clients with a comprehensive range of investment products and services.

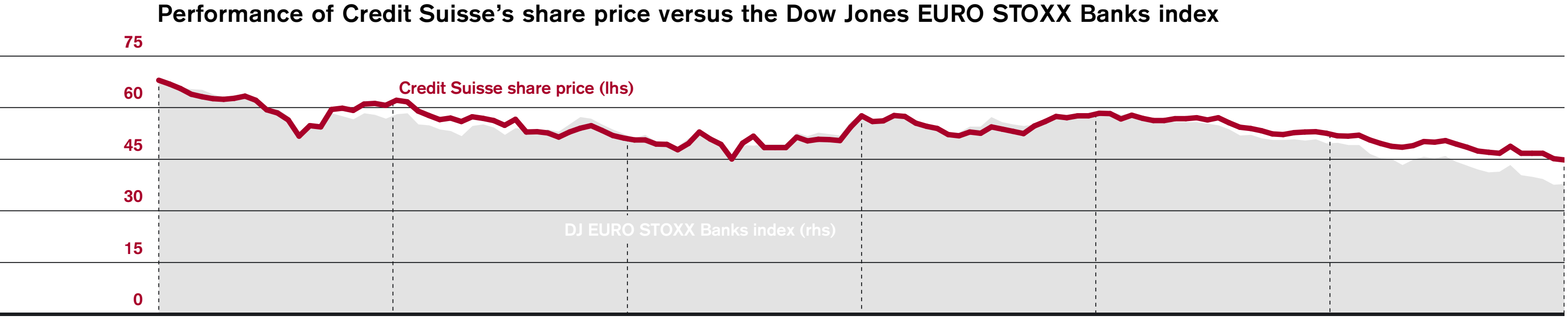
Indices We launched a Social Awareness Index, enabling our clients to invest in socially aware companies. A Risk Appetite Investable Index was also set up, offering investors exposure to European equities and government bonds.

June

China We obtained approval from the Chinese authorities to establish a joint venture with Founder Securities to provide investment banking services in China. We also established a strategic alliance in Chinese domestic institutional brokerage and wealth management.

Pakistan We launched operations to offer equity research and research sales to institutional clients.

Performance of Credit Suisse’s share price versus the Dow Jones EURO STOXX Banks index



Global

Stock markets The Dow opened at 13,262 on January 2, while the SMI opened at 8,484. During the year, the two indices fell 34% and 35% respectively.

World Bank The international body forecast that global growth would slow in 2008, as the volatility in the financial markets hit the world’s richest nations.

Credit tightening A Fed survey showed that banks tightened lending standards for businesses and consumers, offering evidence that the credit crunch had spread to sectors beyond real estate.

Oil prices Crude oil futures closed above the USD 100 threshold for the first time.

US dollar The US dollar hit a record low against the euro, in a slowing US economy.

Bear Stearns The investment bank was acquired by JP Morgan Chase.

Liquidity Central banks worldwide made funds available to improve liquidity in the banking system. Interest rates were cut by some central banks.

Mortgage markets The deterioration in the mortgage markets increasingly affected the credit markets and other asset classes, with adverse impacts on the global economy.

IMF The IMF warned that the losses on US-originated loans and securitized assets could reach USD 1 trillion. The IMF raised the estimate to USD 1.4 trillion in October.

Chinese yuan The Chinese currency broke the 7-yuan threshold against the US dollar for the first time since it was depegged from the dollar in 2005.

Job losses The US financial sector lost an estimated 66,000 jobs during the first five months of the year as a result of the market turmoil.

US consumers The US consumer sentiment index fell to a 28-year low.

Inflation worries Global inflation worries heated up as the prices of oil and other commodities climbed to new records.

Swiss capital rules The SNB proposed increased capital requirements and new leverage ratios at large Swiss banks. Concrete measures were put in place by the FINMA in October.

July

Middle East We launched a full-scale local equities platform including equity sales, trading and research, to provide innovative products and solutions to our clients in the region.

Award We were named Best Bank in Switzerland by Euromoney.

August

Funding We successfully completed our long-term funding plan for 2008, despite deteriorating credit and financial markets.

Asset Management We acquired an 80% stake in AMF to further strengthen our alternative investment franchise.

September

Hans-Ulrich Meister was named CEO Switzerland. Earlier in the year, Karl Landert was appointed Chief Information Officer.

Bahrain We were granted a license to set up operations in Bahrain, enabling us to establish a branch in Manama.

October

Capital We raised a total of CHF 10 billion from three existing shareholders.

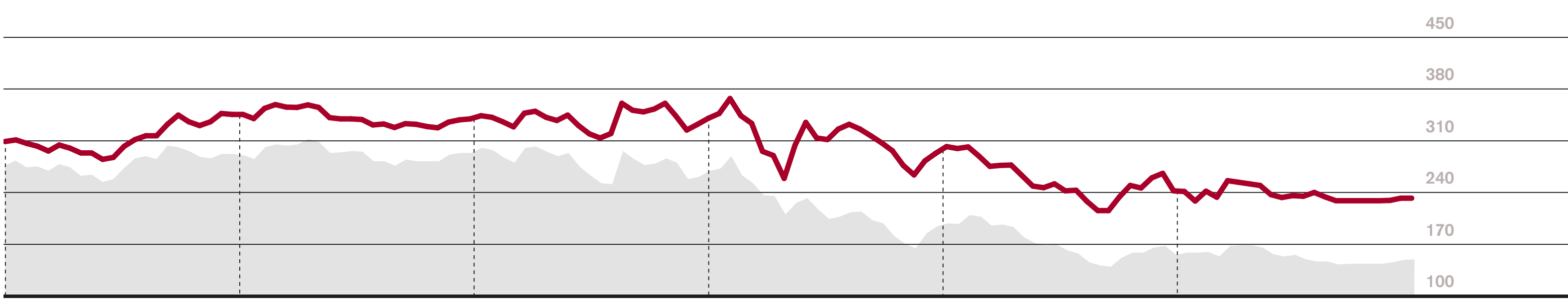
November

Saudi Arabia We acquired a majority stake in Saudi Swiss Securities to deliver the integrated bank's services and products to our clients in the region.

December

Accelerated implementation of bank strategy We announced plans to further improve our risk, capital, cost and earnings position, including an increased focus in Investment Banking on client and flow-trading businesses.

Asset Management Following a review of our business portfolio, we sold parts of our traditional long-only asset management business.



Oil prices The Brent crude oil futures reached a record USD 147.27 per barrel. By year-end, the price had dropped to USD 40.10 per barrel.

Fannie Mae, Freddie Mac The two largest US mortgage lenders were granted Fed loans at favorable interest rates, but both were nationalized in September.

US dollar The US dollar started to appreciate against major currencies, amid the repatriation of liquidity to the US. Toward the end of the year, the dollar started to depreciate.

Japanese package The Japanese government unveiled a USD 107 billion economic stimulus package including loan guarantees and aid for small businesses. China followed in November with a USD 586 billion package, to focus on infrastructure projects.

Lehman Brothers The investment bank declared bankruptcy.

Investment banks The stand-alone investment banking model in the US ceased to exist. Goldman Sachs and Morgan Stanley received Fed approval to transform into bank holding companies.

Short-selling A temporary ban on short-selling adversely impacted various trading strategies.

US rescue package The US government approved a USD 700 billion rescue package for the financial sector.

Nationalizations Governments worldwide stepped up emergency measures for financial institutions, including funding and nationalizations.

State guarantees Governments worldwide raised or introduced guarantees of bank deposits, as well as guarantees of debt securities of eligible financial institutions.

Recession Data confirmed that both Europe and Japan were in recession.

US elections Barack Obama won the US presidential election.

Rate cuts Central banks continued to cut interest rates.

Stock markets The Dow reached a year-low, and its lowest level since March 2003.

G 20 Leaders discussed plans to stimulate the global economy, and agreed on principles for a new financial framework.

Job losses The US financial sector announced more than 260,000 job cuts during 2008.

UK property market Mortgage lending fell to a six-year low of GBP 256 billion in 2008, as a result of the credit crunch.

Stock markets Stock markets worldwide posted their worst annual performance since the Great Depression. The Dow Jones EURO STOXX Banks index lost 64%, while Credit Suisse's shares declined 58%.

Vision, mission and principles

Our vision is to become the world's premier and most admired bank, renowned for our expertise in private banking, investment banking and asset management, and most valued for our advice, innovation and execution.

Our mission is to set new standards in partnering with our clients and providing them with integrated financial solutions. As a global bank serving clients in every region of the world, cultural diversity is essential to our success. We strive to create an open, respectful workplace that encourages people to work together and with our clients to deliver superior products, services and results and support the success and prosperity of all our stakeholders.

Three principles guide our employees in all decisions, actions and objectives:

- A relentless focus on the needs of our clients. We know we can only set new standards in partnering with clients if we place them at the center of everything we do and have a complete understanding of their needs and aspirations. We believe that nothing short of excellence will suffice. Building on our tradition for innovation, we strive to develop new financial solutions and compelling value propositions to address client needs.
- Teamwork must be at the heart of all we do. We are committed to working together as a team across businesses and regions to deliver added value to clients. As an integrated organization, we are well positioned to capitalize on our combined strengths and expertise to provide holistic product offerings and seamless service that set us apart from our peers. Dedication, determination and dialogue are the keys to successful teamwork at Credit Suisse.
- Our reputation is everything. We are committed to maintaining, enhancing and monitoring our reputation by generating value for clients and shareholders, acting with professionalism, integrity and respect and serving as a reliable partner to all our stakeholders.

Strategy

Industry trends and competition

In 2008, the financial services industry was shaken by the most severe global financial crisis in recent history. The spillover effects emerging from the dislocation of the mortgage-backed securities market in 2007 increasingly affected other credit and financial markets during the year, leading to unprecedented levels of market turmoil, volatility and a deterioration in the economic environment, as discussed under II – Operating and financial review – Operating environment. Uncertainties related to the value and risk of complex financial products, assets and liabilities resulted in the near collapse of the funding markets for banks, putting the stability of the global financial system at risk. Vigorous intervention by governments and central banks around the globe was undertaken to rescue financial institutions, reduce systemic risk and reestablish confidence in the markets. With the crisis still ongoing and with numerous temporary government emergency programs in place, the focus of politicians, regulators and industry representatives is increasingly shifting towards a detailed analysis of the reasons of the crisis and the implications for the industry's future and its regulation.

In November 2008, the leaders of the G20 countries gathered in Washington to discuss efforts to strengthen economic growth and deal with the financial crisis. They agreed on common principles for a future capital market architecture, including greater transparency and strengthened accountability, enhanced regulation and supervision, improved international cooperation and reforms of the international financial institutions to give emerging economies and developing countries greater voice and representation. More than 40 concrete proposals have been developed and are currently in discussion, involving organizations like the International Monetary Fund, the Financial Stability Forum, the Institute of International Finance and the Bank for International Settlement. A G20 summit is scheduled for April 2009, and market developments in 2008 and initial regulatory actions point towards a new competitive landscape in the years to come.

The financial services sector witnessed extraordinary changes to the competitive landscape due to consolidation and government intervention. Leading market players filed for bankruptcy protection or were acquired or received regulatory approval to transition to bank holding companies. Going forward, investment banking activities will be subject to tighter regulatory supervision, leading to a more level playing field among domestic and international competitors. A second major development during 2008 was the far reaching governmental emergency support provided to financial institutions in the form of state guarantees, liquidity, funding, capital injections and full-scale nationalization. In the absence of a binding international collaboration framework and against the backdrop of differing needs, intervention was mainly on a national level, leading to a multi-facetted and heterogeneous landscape, particularly in Europe. While indispensable to stabilize markets, the longer-term implications of increased political influence remain to be seen. In Switzerland, our home market, a more conservative capital regime was introduced for large Swiss banks, including Credit Suisse, requiring increased capital and a leverage ratio.

Due to increased regulatory scrutiny and higher capital requirements, more conservative client behavior, the market's desire for less complex products and substantially lower asset bases, we expect the business environment to remain challenging. In addition, the deterioration of the economic environment will impact the quality of loan portfolios. As a result, we expect large-scale redundancy programs and ongoing reductions in spending on infrastructure investment in the years to come. As banks move to less risky business models, we also expect market participants to review their business portfolios, putting an increased focus on their core franchises. We believe that the current market environment provides opportunities for well capitalized and flexible market participants. Taking a longer term perspective, we believe that the financial services industry will continue to benefit from globalization, individual wealth creation and international capital flows.

Accelerated implementation of client-focused integrated bank strategy

With our client-focused integrated bank strategy launched in 2006, we feel well positioned to succeed in a changing operating environment. Our strategy was seriously tested in 2008, and although not immune to the market turmoil, we benefited from our diversified business model. The net loss of CHF 8.2 billion in 2008 and net valuation reductions in Investment Banking of CHF 10.9 billion were substantial but our financial strength allowed us to manage through the financial crisis. We focused on three priorities we established in 2007 at an early stage of the crisis:

- Reduce risk: By implementing a comprehensive and aggressive plan to reduce our risks, we continued to man-

age down our exposures throughout 2008. Excluding the US dollar translation impact, our overall 99% position risk declined 18%, primarily as a result of reduced exposures in leveraged finance and commercial real estate. Period-end trading risks measured on the basis of our scaled VaR model decreased 36% to CHF 185 million, compared to CHF 291 million as of the end of 2007.

- Ensure sufficient liquidity: We maintained our conservative liquidity and funding profile throughout the year. Overall, we were a net provider of liquidity to the market in 2008, and we successfully completed our funding plan for 2008. The structure of our unsecured funding remained largely stable, with client deposits and long-term debt as the main sources.
- Maintain a strong capital base: Given all the uncertainties in the market, we placed emphasis on maintaining a strong capital base, also as a key value proposition to our clients. Our consolidated BIS tier 1 ratio was 13.3% as of the end of 2008, compared to 10.0% as of the end of 2007. Our capital position remained strong as we raised net CHF 14.2 billion of tier 1 capital.

With the successful implementation of these priorities, we weathered the challenges in 2008 with limited shareholder dilution and without requiring any capital from the Swiss government. Our efforts to maintain client momentum were effective, particularly in Private Banking, which was solidly profitable throughout 2008 and recorded over CHF 50 billion of net new assets. Following an assessment of the longer term implications of the financial crisis, we announced decisive strategic measures to accelerate the implementation of our client-focused integrated bank strategy. These measures are expected to bring a further substantial reduction of our risk and cost base, thus freeing up capital, helping us to address challenges and to capture opportunities in the new market environment. As part of our strategic plan, we are reducing headcount by approximately 5,300. By the end of 2008, 2,600 of these reductions had taken place and the rest are expected to take place by the middle of 2009. We are on track to lower costs by CHF 2 billion through these strategic measures.

- In Private Banking, we will continue to judiciously invest in growth, both globally and in our Swiss businesses. We have growth plans in place for all regions and will add a significant number of relationship managers to accelerate our asset gathering momentum when markets improve. With our client centricity approach, we will develop and leverage our value propositions for all targeted client segments, with a particular focus on ultra-high-net-worth individuals.
- In Investment Banking, we are repositioning the business, reflecting the fundamental shift of client demand. With an increased emphasis on client and flow-based businesses as well as reduced risk limits for complex and structured products, we expect to reduce volatility and improve capital efficiency. We will reduce risk capital usage, including exiting certain proprietary and principal trading businesses. In 2008, we reduced risk-weighted assets 31% to USD 163 billion on a consistent methodology basis, and we plan further cuts to USD 135 billion by the end of 2009.
- In Asset Management, we focused our resources on alternative investments, asset allocation and the Swiss businesses, all of which are scalable, high-margin businesses that provide excellent investment opportunities for our clients. In the fourth quarter, we decided to close certain money market funds and agreed to sell the majority of our traditional funds business to Aberdeen Asset Management, one of the UK's leading asset managers, for a stake of up to 24.9% in Aberdeen. The new organization also provides further potential to reduce costs.

We remain committed to the client-focused integrated model, which we believe enables us to most effectively deliver best-in-class service to our clients while realizing enhanced operating efficiencies. Collaboration between our businesses provides a source of stable, high-margin revenues. For a more detailed description of our businesses and their performance in 2008, refer to I — Our businesses and II — Operating and financial review.

Priorities and targets

In 2009 and beyond, we will focus our attention on navigating through the still challenging and changing business environment, implementing the next steps of our accelerated client-focused integrated bank strategy and exploiting market opportunities as they arise. We aim for profitable growth over the business cycles and an improved business mix with a more conservative risk return profile. To achieve this, we remain focused on five strategic priorities for the Group:

- Client focus: We continue to strengthen our key client coverage model and focus on clients with complex and multi-product needs, such as ultra-high-net-worth individuals, large and mid-sized companies, entrepreneurs, institutional clients and hedge funds. Investment Banking will increase its focus on client and flow-based trading businesses. We will develop our product range according to our clients' needs and move closer to them by further strengthening our footprint globally. In 2008, we launched

a global key client coverage model, building on the momentum of the integrated bank and leveraging the coverage model introduced in 2007 for top clients in Switzerland. We added 340 relationship managers in Private Banking and expanded our presence in markets like China, India, Pakistan, Indonesia and the Gulf region.
- Collaboration: To deliver a unique value proposition to our targeted clients, we encourage close collaboration throughout our organization. Key collaboration initiatives include customized client solutions and increased client and asset referrals between the divisions and businesses. We systematically track our progress by measuring collaboration revenues with a target of above CHF 10 billion by 2012. Throughout the market turmoil we showed resilience in collaboration revenues, particularly for ultra-high-net-worth individuals. Collaboration efforts on the basis of our integrated bank strategy provided us with a source of stable, high-margin revenues throughout 2008. In total, we generated CHF 5.2 billion of collaboration revenues, a decline of only 12% compared to 2007, which benefited from much more favorable market conditions.
- Capital and risk management: In the context of the financial crisis, a strong capital base and a sound liquidity position have become even more important. We deploy capital in a disciplined manner, assessing our aggregated risk taking in relation to our client needs, our financial resources and based on our economic capital framework. We systematically monitor and develop the business portfolio based on through-the-cycle risk/return goals and the added value of the integrated bank strategy. In 2009, Investment Banking continues to reduce the scale of its operations in more complex products, including a general reduction in risk capital usage and the exit of certain proprietary and principal trading activities.
- Efficiency: We continue to strive for top-quartile efficiency levels, while being careful not to compromise on growth or reputation. For our core activities we have established a cost/income ratio target of 65%. We foster a culture of cost management and operational excellence. We drive efficiency improvements with the strong involvement of senior management and we pursue plans to further develop our CoE. Since inception of the CoE program four years ago, we have deployed more than 7,000 roles, or 13% of our workforce. We continue to focus on our Operational Excellence program, which has strengthened our culture of continuous improvement and client focus, and which has become a key part of implementing strategic initiatives.
- People: We continue to undertake significant efforts to attract, develop and retain top talent in order to deliver an outstanding integrated value proposition to our clients. We promote cross-divisional and cross-regional career development, as well as lateral recruiting and mobility. We demand the highest ethical standards, consistent with our Code of Conduct. With regard to compensation, we take a prudent and constructive approach, designed to reflect the performance of individuals and the firm and, at the same time, closely align the interests of employees with those of shareholders. We rolled out our global human resources transformation project in 2008 to improve productivity, one of our most comprehensive Operational Excellence initiatives, which will allow for better management of our human capital base.

To track our progress and benchmark our performance, we have defined a set of key performance indicators for growth, efficiency and performance, and risk and capital to be achieved across market cycles. As a result of the operating environment, we reviewed and updated our targets at the beginning of 2009. For more detailed information, refer to II – Operating and financial review – Key performance indicators.

Our businesses

Private Banking

Business profile

In Private Banking, we offer a broad range of banking solutions and comprehensive advice to private, corporate and institutional clients. Private Banking comprises two major businesses: Wealth Management and Corporate & Retail Banking. Wealth Management operates worldwide and serves approximately 0.7 million high-net-worth individuals with assets under management exceeding CHF 0.25 million to CHF 1 million, depending on the location. Corporate & Retail Banking serves approximately 1.7 million retail, corporate and institutional clients in Switzerland.

In Wealth Management, we provide customized solutions in protecting, optimizing and financing clients' wealth. We run one of the largest private banking organizations globally, with CHF 646 billion of assets under management as of the end of 2008. We serve our clients through two brands: Credit Suisse and Clariden Leu, Credit Suisse's independent private bank. Clariden Leu is a leading provider of private banking services, mainly in Switzerland, with total assets under management of CHF 94 billion as of the end of 2008. We serve our international clients through a global network of 3,500 dedicated relationship managers, organized by region, markets and client segment (for example, ultra-high-net-worth individuals and entrepreneurs). Relationship managers are supported by a broad range of dedicated product specialists. As of the end of 2008, we were present in almost 200 locations, with 123 offices outside Switzerland in 45 countries.

In Corporate & Retail Banking, we provide premium advice and solutions for financing, investment and retirement planning to private clients and a broad range of corporate banking services to corporate and institutional clients in Switzerland. We serve our clients through 220 branches in Switzerland, four regional contact centers and "Direct Net," our online banking platform. Small and medium-sized enterprises are served by relationship managers based in 40 branches throughout Switzerland and a central business center. Our regional bank, Neue Aargauer Bank, serves clients in the Canton of Aargau. The consumer finance company, BANK-now, is a specialized supplier of private credit offerings and car leasing in the Swiss market through various distribution channels.

Awards

- In *Euromoney's* global "Private Banking Survey 2008", Credit Suisse was rated best in class for its private banking services in Central & Eastern Europe, Russia and the United Arab Emirates.
- In 2008, the *Handelsblatt* Elite Report awarded Credit Suisse's Private Banking in Germany and Switzerland the highest distinction of "summa cum laude".
- As part of its "World's Best Global Banks 2008" awards, the *Global Finance* magazine ranked Credit Suisse as "the World's Best Private Bank". In addition, the magazine has awarded Credit Suisse the title "Best Bank in Switzerland" in the World's Best Developed Market Banks Awards 2008.
- Credit Suisse was honored with the "Outstanding Global Private Bank Award" and the "Outstanding Business and Entrepreneur Private Bank Award" by *Private Banker International*.

Achievements

Wealth Management

- New offices were opened in Northbrook, Illinois (US), Bologna (Italy) and Tokyo (Japan) to serve the needs of the growing number of high-net-worth and ultra-high-net-worth individuals.
- New branches were opened in Parma (Italy) and in Manchester and Birmingham (England), strengthening our onshore business in these mature markets. We established our wealth management business in Mumbai (India), marking an important milestone in our international growth strategy and underlining our continued investment in emerging markets.
- A branch license was granted in Bahrain, enabling us to respond to the dynamic developments and fast growing demand in this region.

Corporate & Retail Banking

- First major financial services provider in Switzerland to launch an initiative to improve accessibility of our facilities and services for people with impaired vision, hearing and mobility.
- New tranche issued of the first tax-exempt real estate fund for Swiss pension funds, reflecting the continued strong demand for this product.
- Succession campaign intensified in all Swiss locations. The joint initiative between Corporate & Retail Banking and Wealth Management aims at better supporting our clients as a strategic partner in succession situations.

Trends and competition

Wealth Management

Despite the current financial market challenges and the risk of a prolonged economic slowdown, we expect continued long-term growth in global wealth. This growth will be driven by continued economic development in emerging and newly industrialized markets and generational transfers of wealth in more mature markets. In the newly industrialized countries, we also expect a further concentration of wealth and asset accumulation with entrepreneurs, who increasingly seek solutions not only to manage their personal wealth, but also to develop their business over market cycles. In more mature markets, we expect lower growth rates than in emerging markets, but the asset base is larger, with more than two thirds of global wealth located in the US, Japan and Western Europe. While we assume an increasing focus on cross-border business with regard to transparency and regulation, we expect both cross-border and domestic business to grow.

With regard to the client value proposition, these trends have the following implications for service providers:

- Client focus: Banks shift their client focus increasingly beyond free investible assets to address total client wealth, including liabilities as well as illiquid assets, such as real estate or stakes in client companies.
- Client offering: Wealthy and informed clients expect private banking to combine the full range of product and market expertise into leading-edge and tailor-made solutions and services.
- Client targeting: In an increasingly competitive environment, banks have to move beyond asset-based client segmentation to develop specific need-based value propositions for strategically attractive target groups.
- Client proximity: With the industry becoming increasingly global, banks need to be close to their clients and establish both domestic and cross-border capabilities in all major regions.

As suppliers seek to meet increasingly complex client requirements at competitive costs, we expect further consolidation of the wealth management industry. Consolidation will be accelerated by current financial markets. With our continued strong asset gathering, hiring across all regions and our value proposition based on client centricity and the integrated bank, we expect to further strengthen our position in the industry.

Corporate & Retail Banking

The Swiss corporate and retail banking industry is strongly tied to the overall economic environment in Switzerland. Swiss retail banking clients have comparatively high incomes and savings rates, resulting in a large demand for personal investment management solutions. Furthermore, the Swiss private mortgage business has developed positively in recent years and this trend is expected to continue despite declining margins. The Swiss economy is broadly diversified and closely linked to the global economy. Corporate banking in Switzerland offers a broad range of services tailored to the needs of the Swiss economy (for example, financing, export and trade solutions).

In the Swiss corporate and retail banking industry, competition has increased significantly in recent years, especially in basic banking products. To meet this competitive pressure, we continue to invest in quality advisory capabilities, product innovation and customized client solutions through an open architecture.

Strategy and initiatives

Despite the market turmoil in 2008, our lower asset base and generally lower client activity in the near term, we will continue to implement our strategy in six areas: international growth; market share gains in Switzerland; client value proposition; integrated banking; productivity and performance; and attracting and maintaining the best people. With this strategy, we expect to generate further substantial value and maintain our asset gathering momentum and strong income contribution to the Group. We have growth plans in place for all regions and plan to hire relationship managers to operate from a position of strength when markets improve. We will continue to drive efficiency and productivity, building on our programs for operational excellence and efficiency management. Close collaboration and support from Investment Banking and Asset Management will be the drivers for increased revenues from customized and innovative client solutions.

Products and services

Wealth Management

Our service offering is based on three main concepts: the Structured Advisory Process, client value propositions and comprehensive investment services:

- Structured Advisory Process: We analyze our clients' personal financial situation and prepare investment strategies based on an individual risk profile of liquid and illiquid assets and present and future liabilities. Based on this profile, we recommend specific investments in accordance with the investment guidelines of the Credit Suisse Investment Committee. The implementation and monitoring of the client portfolio is carried out by the relationship manager. We completed the global roll-out of our structured advisory process with the roll-out in the US in 2008.

- Segment specific solutions: We offer a range of wealth management solutions tailored to specific client segments. For our entrepreneur segment, we offer solutions targeted at specific needs within private and corporate wealth management, including succession planning, tax advisory, financial planning and investment banking services. Clients receive the advice of Credit Suisse's experienced corporate finance advisors, immediate access to a network of international investors in the public and private markets, the preparation and coordination of financial transactions and the maximization of company value. For our ultra-high-net-worth clients with assets under management in excess of CHF 50 million or total wealth exceeding CHF 250 million, we offer tailor-made solutions for individuals and family offices.
- Investment services: We offer a comprehensive range of investment advice and discretionary asset management services based on the analysis and recommendations of our global research team. Investment advice covers a range of services from portfolio consulting to advising on individual investments. We continuously strive to offer clients effective portfolio and risk management solutions, including managed investment products. These are products actively managed and structured by our specialists, providing private investors with access to asset classes that otherwise would not be available to them. For clients with more complex requirements, we provide investment portfolio structuring and the implementation of individual strategies, including a wide range of structured products and alternative investments. Discretionary asset management services are available to clients who wish to delegate the responsibility for investment decisions to Credit Suisse. In close collaboration with Investment Banking and Asset Management, we also provide innovative alternative investments with limited correlation to equities and bonds, such as hedge funds, private equity, commodities and real estate.

Corporate & Retail Banking

We offer a broad range of financing products, such as construction loans, fixed and variable rate mortgages, consumer, car and real estate loans, different types of leasing arrangements, and various credit cards provided by Swisscard, a joint venture between Credit Suisse and American Express. Additionally, we provide flexible financial solutions to suit every stage of a private client's life, including private accounts, payment transactions, foreign exchange services, pension products and life insurance. We recently extended our range of basic banking products and services for private clients by introducing the Bonviva banking packages to simplify banking for our clients. These packages are tailored to clients' needs, and include a client royalty program, offering an attractive range of services and events. The range of savings products available to retail clients includes savings accounts and savings plan funds and insurance. We supply a range of investment products and services specifically designed for retail clients.

To meet the needs of corporate clients, including Swiss subsidiaries of multinational corporations, we offer a full range of solutions: cash management and payment transactions, all forms of traditional and structured lending, capital goods and real estate leasing, investment solutions and specialized services such as corporate finance, trade finance and ship financing. Large corporate clients can benefit from tailor-made financial solutions and advice. We also supply specialized products and services, such as business process outsourcing, multi-currency offerings, straight-through-processing execution and custody services, to small and medium-sized banks, Swiss pension funds and insurance companies.

Investment Banking

Business profile

Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage and capital raising and advisory services, as well as comprehensive investment research. Clients include corporations, governments and institutions around the world. Credit Suisse delivers its global investment banking capabilities via regional and local teams based in all major developed and emerging market centers.

Trends and competition

The extreme disruption in the markets in 2008, particularly during the second half of the year, led to consolidation among financial institutions and the end of the large-scale independent investment banking model in the US financial services industry. The remaining industry participants face increased capital costs, but with fewer competitors, they now have opportunities to increase market share and improve pricing. In this environment, Investment Banking is differentiated by Credit Suisse's strong capital position and integrated bank model, substantial progress in risk reduction and repositioned business platform.

Throughout the year, we moved rapidly to implement our strategy to move to a lower risk and more capital efficient model, making material reductions in our leveraged finance and structured products exposures, and to reduce earnings volatility by increasing revenues from our client and flow-based

businesses. In shifting our business portfolio, we continued to benefit from the response of clients to the market crisis, including a growing preference for less complex, more liquid financial products and above all, for doing business with strong, stable counterparties, such as Credit Suisse. This trend is evident in the client inflows we are seeing in our prime services business, and the record growth in trading volume on our AES® platform.

Repositioning Investment Banking

In response to the changed market environment, we announced a further acceleration of our efforts to reposition Investment Banking by

- reducing risk capital usage;
- reducing volatility and improving capital efficiency;
- increasing emphasis on client and flow-based businesses, such as cash equities, electronic trading, prime services, global rates and foreign exchange, high grade debt, US RMBS secondary trading, our commodities trading joint venture with Glencore and our strategic advisory business;
- repositioning certain other businesses in which we have a competitive advantage but seek to reduce risk and volatility, including quantitative and liquid equity trading strategies, secondary convertible trading, emerging markets, US leveraged finance and corporate lending; and
- reducing risk limits for complex and structured products, including substantially reducing or exiting certain businesses such as highly structured derivatives, illiquid principal trading, residential and commercial mortgage origination, CDO, leveraged finance trading, RMBS outside the US and power and emissions trading.

Key measures of our progress include:

- Risk-weighted assets declined 15% since the end of the third quarter, and 31% since the end of 2007, to USD 163 billion, and are targeted to decline to USD 135 billion by year-end 2009.
- End-of-period, one-day 99%-VaR declined 20% in the fourth quarter of 2008 to USD 117 million. Excluding dataset and methodology changes, the decline was 35% to USD 31 million.
- Headcount was reduced by 1,600 since the third quarter to 19,700, with a year-end 2009 target of 17,500.

Repositioning Investment Banking

	Key client businesses	Repositioned businesses	Exit businesses
Equities	■ Cash equities ■ Electronic trading ■ Prime services ■ Equity derivatives – focus on flow and corporate trades	■ Equity trading – focus on quantitative and liquid strategies ■ Convertibles – focus on client flow	■ Highly structured derivatives ■ Illiquid principal trading
Fixed income	■ Global rates ■ Foreign exchange ■ High grade credit/debt capital markets ■ US RMBS secondary trading ■ Commodities trading (joint venture)	■ Emerging markets – maintain leading business but with more limited risk/credit provision ■ US leveraged finance – maintain leading business but focus on smaller/quicker to market deals	■ Mortgage origination ■ CDO ■ Non-US leveraged finance trading ■ Non-US RMBS ■ Highly structured derivatives ■ Power & emission trading
Advisory	■ Strategic advisory (mergers & acquisitions) and capital markets origination	■ Corporate lending – improved alignment of lending with business and ability to hedge	■ Origination of slow to market, capital-intensive financing transactions
	Develop existing strong market positions	Maintain competitive advantage but reduce risk and volatility	Release capital and resources; reduce volatility

Products and services

Our comprehensive portfolio of products and services is aimed at the needs of the most sophisticated clients, and we increasingly use integrated platforms to ensure efficiency and transparency. Our activities are organized around two broad functional areas: investment banking and global securities. In investment banking, we work in industry, product and country groups. The industry groups include energy, financial institutions, financial sponsors, industrial and services, healthcare, media and telecom, real estate and technology. The product groups include mergers and acquisitions and financing products. In global securities, we engage in a broad range of activities across fixed income, currencies, commodities, derivatives and cash equities markets, including sales, structuring, trading, financing, prime brokerage, syndication and origination, with a focus on client-based and flow-based businesses, in line with growing client demand for less complex and more liquid products and structures. We are repositioning or exiting certain of the businesses described below.

Investment banking

Equity and debt underwriting

Equity capital markets originates, syndicates and underwrites equity in IPOs, common and convertible stock issues, acquisition financing and other equity issues. Debt capital markets originates, syndicates and underwrites corporate and sovereign debt.

Advisory services

Advisory services advises clients on all aspects of mergers and acquisitions, corporate sales and restructurings, divestitures and takeover defense strategies. The private fund group holds a market-leading position in raising capital for hedge funds, private equity funds and real estate funds. The fund-linked products group is responsible for the structuring, risk management and distribution of structured mutual fund and alternative investment products and develops innovative products to meet the needs of its clients through specially-tailored solutions.

Global securities

Credit Suisse provides access to a wide range of debt and equity securities, derivative products and financing opportunities across the capital spectrum to corporate, sovereign and institutional clients. Global securities is structured into the following areas:

Fixed income

Rates

Interest rate products makes markets in the government bond and associated OTC derivative swap markets of developed economies. Its products include government bonds, bond options, interest rate swaps, interest rate options and structured interest rate derivatives.

Foreign exchange provides market-making and positioning in products such as spot and options for currencies in developed markets. It also supplies dedicated research and strategy and structured advisory services.

Listed derivatives provides innovative derivative product support, drawing on its global execution capabilities, electronic trading system and sophisticated analytics.

Credit

Credit products offers a full range of fixed income products and instruments to clients, ranging from standard debt issues and credit research to fund-linked products, derivatives instruments and structured products that address specific client needs.

Credit derivatives trades and structures credit derivatives on investment grade and high-yield credits. It is a leading dealer in both flow business, which trades single-name credit default swaps on individual credits, credit-linked notes and index swaps and structured products, providing credit hedging solutions to clients.

Investment grade trades domestic corporate and sovereign debt, non-convertible preferred stock and short-term securities such as floating rate notes and CP.

Leveraged finance provides capital raising and advisory services and core leveraged credit products such as bank loans, bridge loans and high-yield debt for non-investment grade corporate and financial sponsor-backed companies.

Structured products

Structured products trades, originates, securitizes, syndicates, underwrites and provides research for all forms of securities that are based on underlying pools of assets, including CMBS, RMBS, CDO and ABS. The underwriting business handles securitizations for clients in most industry sectors.

Emerging markets

Emerging markets offers a full range of fixed income products and instruments, including sovereign and corporate securities, local currency derivative instruments and tailored emerging market investment products.

Commodities

Commodities focuses on the power and natural gas trading business, as well as oil, petroleum and metals trading through an alliance with Glencore, one of the world's largest suppliers of a wide range of commodities and raw materials to industrial

consumers. The commodities group also conducts carbon-emissions credit trading and structuring.

Life finance

Life finance provides high-net-worth individuals and small to medium-sized businesses with financing and risk management solutions associated with purchasing and retaining a life insurance policy.

Global structuring

Global structuring develops and delivers sophisticated financing products and provides financial advisory services for corporate and institutional clients and develops sophisticated products for investor clients. In addition to identifying opportunities across asset classes, it provides a robust platform for the creation of sophisticated asset-side solutions.

Equity

Equity sales uses research, offerings and other products and services to meet the needs of clients including mutual funds, investment advisors, banks, pension funds, hedge funds, insurance companies and other global financial institutions.

Sales trading links sales and position trading teams. Sales traders are responsible for managing the order flow between client and the marketplace. They also provide clients with research, trading ideas and capital commitments and identify trends in the marketplace in order to obtain the best and most effective execution.

Trading executes client and proprietary orders and makes markets in listed and OTC cash securities, exchange-traded funds and programs, providing liquidity to the market through both capital commitments and risk management.

Equity derivatives provides a full range of equity-related products, investment options and financing solutions, as well as sophisticated hedging and risk management expertise and comprehensive execution capabilities. Its clients include financial institutions, hedge funds, asset managers and corporations.

Convertibles trading involves both secondary trading and market-making. It also offers the trading of credit default swaps and asset swaps and distributes market information and research.

Prime services provides a wide range of services to hedge funds and institutional clients, including prime brokerage, start-up services, capital introductions, securities lending, synthetics and innovative financing solutions.

AES® is a sophisticated suite of algorithmic trading strategies, tools and analytics operated by Credit Suisse to facilitate global equity trading. By employing algorithms to execute client orders and limit volatility, AES® helps institutions and hedge funds reduce market impact. AES® is a recognized leader in its field and provides access to exchanges in more than 35 countries worldwide via more than 45 leading trading platforms.

Proprietary trading

Proprietary trading conducts trading in the major global fixed income and equity markets.

Other

Other products and activities include lending, private equity investments that are not managed by Asset Management, certain real estate investments and the distressed asset portfolios. Lending includes senior bank debt in the form of syndicated loans and commitments to extend credit to investment grade and non-investment grade borrowers.

Research and HOLT

Credit Suisse's equity and fixed income businesses are supported by the research and HOLT functions.

Equity research uses in-depth analytical frameworks, proprietary methodologies and data sources to analyze approximately 2,500 companies worldwide and provides macro-economic insights into this constantly changing environment.

HOLT offers one of the fastest and most advanced corporate performance, valuation and strategic analysis frameworks.

Awards

We received numerous industry awards in 2008, including:

- Credit Suisse's US debt capital markets franchise won *International Financing Review*'s "Best US Dollar Bond/Best Investment Grade Corporate Bond", in which Credit Suisse was lead manager of the USD 4 billion multi-tranche five-, ten- and 30- year issue by International Business Machines Corp.
- "Deal of the Year" by *Asia Risk* for the PL100 Emerging Markets Infrastructure Development Trust (EMID) in Australia. PL100 EMID was structured to meet retail investors' needs and demonstrates our commitment to delivering the most comprehensive and innovative products on the street to our clients.
- "Best Investment Bank of the last twenty years" by *LatinFinance*. In addition, the Bovespa Holdings SA IPO was voted "Best Equity Deal" and the Companhia Vale do Rio Doce SA acquisition of Inco Ltd was voted "Best M&A Deal."
- We were recognized for our leadership in a number of key markets across products in *Euromoney*'s annual "Awards for Excellence." We were voted "Best Investment Bank" in Latin America and Vietnam; "Best M&A House" in Latin

America, Indonesia and Denmark; "Best Project Finance House" in North America; "Best Equity House" in Indonesia, Korea and Kazakhstan; "Best Debt House" in the Philippines; and "Best Bank" in Switzerland.
- We ranked number one in *International Securities Finance*'s Synthetic Prime Brokerage survey in which 200 hedge funds ranked their top swap providers. Credit Suisse ranked number one in seven of eleven categories.
- Credit Suisse was recognized as the UK, Italy and Switzerland "M&A adviser of the year" by *Acquisitions Monthly*, demonstrating our strong European foothold in the mergers and acquisitions business. In addition, the magazine recognized two transactions we advised on as "Defence of the year" and "Domestic deal of the year."
- "Deal of the Year" by *Investment Dealers Digest* for the acquisition of TXU Corp. by KKR and Texas Pacific Group, KKR's acquisition of First Data, and Community Health Systems' acquisition of Triad Hospitals. Credit Suisse acted as advisor on all of these transactions.

Achievements

We expanded our ability to serve certain geographic and product markets:
- Credit Suisse commenced investment banking operations in China through a newly formed joint venture with Founder Securities. This is an important milestone in the implementation of Credit Suisse's Asia Pacific growth strategy to establish a global platform for providing financial services and products.
- Credit Suisse launched operations in Pakistan, offering equity research and research sales to institutional clients. This is evidence of Credit Suisse's strong commitment to maintaining a leadership position in global emerging markets.
- Equity research announced a new global alliance with Gerson Lehrman Group, a world-leading network of experts. The relationship grants Credit Suisse access to Gerson Lehrman Group's network of more than 200,000 expert consultants around the world, and reflects our continued efforts to differentiate and grow our leading global equity research brand.

We executed a number of significant transactions in 2008, reflecting the breadth and diversity of our investment banking franchise:
- **Debt capital markets**: We arranged key financings for a diverse set of clients, including International Business Machines Corp. (US information technology services company), Philip Morris International Inc. (US tobacco company), Fresenius SE (German healthcare company), Oracle Corp. (US software company) and the Republic of Philippines.
- **Equity capital markets**: We executed equity offerings for Companhia Vale do Rio Doce (Brazilian metals and mining company), MetLife, Inc. (US insurance provider), Barclays PLC (UK bank), a rights issue for Banco Santander SA (Spanish bank) and an IPO for Honghua Group Ltd. (Chinese oil rig manufacturer).
- **Mergers and acquisitions**: We advised a number of clients on a number of key transactions that were announced during the year, including the UK Treasury on a series of measures designed to stabilize its domestic financial sector, the merger between Bovespa Holdings SA (Brazilian equity and derivatives exchange) and Bolsa de Mercadorias & Futuros-BM&F SA (Brazilian futures and commodities exchange), the joint venture between ConocoPhillips (US energy company) and Origin Energy Ltd. (Australian energy company), the sale of a minority stake in Alcon, Inc. (Swiss specialty medical company) by Nestlé SA (Swiss diversified food company) to Norvartis AG (Swiss healthcare solutions provider), the sale of Wing Lung Bank (Chinese commercial bank) by Wu Jieh Yee Co., Wu Yee Sun Co. and Yee Hong Co. (Chinese holding companies) to China Merchants Bank (Chinese commercial bank), and the divestiture by Temasek Holdings Pte Limited (Singapore government investment holding company) of PowerSeraya Ltd, Senoko Power Ltd and Tuas Power Ltd, wholly-owned power generation companies in Singapore, to Sabre Energy Industries Pte Ltd (subsidiary of a Malaysian utility company), Lion Power Holdings Pte Ltd (a special purpose vehicle owned by a Japanese consortium) and China Huaneng Group (Chinese government investment holding company).

Asset Management

Business profile

In Asset Management, we offer investment solutions and services to clients globally, including governments, institutions, corporations and individuals. We provide access to a wide range of investment classes, building on our global strengths in alternative investments and traditional investment strategies. With more than 200 investment professionals located in Zurich, New York, Los Angeles, London, Frankfurt, Hong Kong, Singapore, Mumbai, Tokyo and Sydney, we focus on providing maximum returns within the investors' criteria, while maintaining a controlled risk profile, adherence to compliance and best execution.

We had CHF 411.5 billion in assets under management as of the end of 2008. These assets under management include innovative high margin products, such as alternative investments, and sophisticated products within traditional investment strategies.

In alternative investment strategies, we are an industry leading manager, with CHF 146.3 billion in assets under management as of the end of 2008. Alternative investment strategies include private equity, credit strategies, real estate, distressed debt and volatility management and hedge fund strategies, including quantitative strategies and fund of hedge funds.

Traditional investment strategies include multi-asset class solutions and other traditional investment strategies, with assets under management of CHF 265.2 billion. In multi-asset class solutions, we provide innovative products across asset classes to clients around the world and have CHF 126.7 billion in assets under management. We have a global platform, offering clients cross-border multi-asset class solutions. Through other traditional investment strategies and through our strategic collaborations, we provide access to fixed income and money market investments, institutional pension advisory and equity investments. Assets under management as of the end of 2008 were CHF 138.5 billion.

We pursue an active cooperation strategy, and our partnerships and joint ventures provide us with access to key products, markets and distribution channels. As part of the client-focused integrated bank strategy, we are increasingly coordinating and leveraging our activities with Private Banking and Investment Banking. We benefit from their focus on client needs and targeted solutions, and we support them with our product expertise and our global reach.

Trends and competition

The market dislocation has shifted investor focus away from complex products with more risk to simpler, less risky products. Investors were generally more conservative and preferred strong counterparties. Market developments and the flight to quality affected the level of our assets under management, leading to lower commissions and fees. Clients have a renewed need for holistic solutions and are focused on liquidity and transparency. These investor trends and market consolidations are leading to consolidation in the asset management industry. There is also a shift from boutiques to large, stable institutions. As a result of the market environment, the industry faces increased due diligence, lower returns and a challenging fund raising environment for asset managers. We believe the market dislocation and industry consolidation will provide opportunities for us as a stable, liquid firm well positioned to advise clients and provide holistic solutions.

Strategy and initiatives

We continued to implement our strategy to focus on high-margin, scalable businesses and to reduce our cost base. We plan to further develop our alternative investment platform, grow our leading franchises in Switzerland and strengthen our multi-asset class solutions business. In 2008, we also decided to exit the US money market business.

As part of this strategy, we announced in December the sale of the majority of our global investors business in Europe (excluding Switzerland), the US and Asia Pacific in a strategic collaboration with Aberdeen, one of the UK's leading institutional asset managers, for up to a maximum of 24.9% of the share capital of Aberdeen. Credit Suisse will have a seat on the board of directors of Aberdeen. The transaction is subject to regulatory approvals in various jurisdictions, and is expected to close in the second quarter of 2009. The business to be sold comprised assets under management of CHF 67.9 billion as of the end of the fourth quarter (CHF 74.9 billion as of November 30, 2008), as well as 400 employees who will transfer to Aberdeen during the course of the year.

The strategic collaboration between Aberdeen and Credit Suisse will allow our clients to benefit from superior investment performance in core traditional products, and enable us to benefit from Aberdeen's proven capability as a business consolidator. In Switzerland, we will maintain our market-leading asset management franchise, and we expect to realize cost synergies between our multi-asset class solutions business and the Swiss traditional products. We will continue to operate our traditional investment business in Brazil and through our various joint ventures across the globe. We will manage these businesses together with multi-asset class solutions as traditional investment strategies.

We will continue to evaluate our cost structure to ensure operating efficiency while focusing on strengthening our core businesses and investing in attractive products that will position us well in a changing market.

Against this backdrop, we benefit from our integrated bank strategy, as our close relationship with Private Banking and Investment Banking gives us access to additional product expertise, deal flow and distribution channels.

Products and services

Asset Management offers institutional and individual clients a range of products through proprietary and third-party distribution channels.

Institutional investors

We offer discretionary asset management services to institutional clients through segregated or pooled accounts. Advisory services include advice on customized investment opportuni-

ties, as well as new product and risk liability management strategies. A broad range of products and advisory services is offered to institutional clients around the world.

Individual investors

We offer a wide range of open-end and closed-end funds to individual investors around the world, marketed under the Credit Suisse brand. The largest complex of funds, domiciled in Luxembourg and marketed primarily in Europe, includes a full range of money market, fixed income, equity and balanced investments.

Asset classes

Alternative investment strategies

We are a market leader in alternative investments, with a range of products, including private equity, hedge funds and fund of hedge funds, real estate, leveraged investments, volatility management and quantitative strategies.

We offer a broad array of private equity funds to meet client needs. We have the ability to tailor fund strategies to meet specific private equity needs of our clients through our customized investment fund group. In addition, we also have wide-ranging products. Our mezzanine funds use subordinated debt along with equity to invest in private companies, while our secondary funds capitalize on preferences for early liquidity in existing private equity investments. We also provide investment vehicles in infrastructure, leveraged buyout, commodities and emerging markets such as China and Latin America.

In real estate, we involve different investment styles employing both direct and indirect investments. Our buy and hold strategy attracts investors with a long-term approach to investing. Our core real estate business aims to provide investors with stable and attractive cash flows, while active portfolio management works to reduce volatility. In addition, our capital partners focus on opportunistic investments throughout the world, while our hedge fund actively manages a long/short investment strategy in real estate securities. We also offer institutional investors and clients access to high-quality construction projects in Switzerland.

Our credit strategies business focuses on the volatility of credit risk premiums on various debt instruments, by capitalizing on economic fluctuations that impact premiums. Our leveraged investment group specializes in the management of leveraged financial assets such as loans, high-yield bonds and structured products. Our event-driven distressed fund seeks to generate absolute returns through coordinated long and short investments across the capital structure, while our credit strategies fund pursues interest-rate-neutral strategies.

In the area of hedge funds, we offer single strategy funds as well as fund of hedge funds and customized funds. Our alpha strategies focus on niche investment products to produce greater returns. Such strategies include, but are not limited to, event-driven investments, emerging markets and long/short investing. Our beta strategies focus on a more risk-averse approach by investing in index products.

We have made direct investments as well as investments in partnerships that make private equity and related investments in various portfolio companies and funds. We offer our employees opportunities to invest side by side, in certain investments.

Traditional investment strategies

In the area of multi-asset class solutions, we provide clients around the world with innovative solutions and comprehensive management across asset classes to optimize client portfolios, with services that range from funds to fully customized solutions. Stressing investment principles such as risk management and asset allocation, we take an active, disciplined approach to investing in order to achieve investment balance for our clients. In fixed income, money markets and equity asset classes, we provide clients solutions and comprehensive management directly and through our strategic collaborations and joint ventures.

Mandates and achievements

In 2008, we were awarded diverse mandates and realized the following opportunities for growth and diversification:

- Credit Suisse and Gulf Capital, a leading alternative investment company incorporated in Abu Dhabi, have reached an agreement, in principle, to enter into a strategic alliance that will make growth-oriented investments in the Gulf region, a key part of our emerging markets platform in the EMEA region.
- Global Infrastructure Partners (GIP) completed fundraising of USD 5.6 billion in its first fund. GIP has made investments in London City Airport, Great Yarmouth Port, East India Petroleum Limited, International Trade Logistics and Biffa PLC.
- We acquired over 80% of AMF for USD 384 million (CHF 423 million). AMF provides capital to asset managers in exchange for a non-voting, limited-term interest in a manager's future revenues. Founded in 2003 and headquartered in New York, AMF has a portfolio that consists of a diversified group of asset managers seeking funding for a broad range of initiatives including owner liquidity, internal equity transfers, management buy-outs and other strategic initiatives.
- Incisive Media's *Hedge Funds Review* named Credit Suisse "Best European Institutional Fund of Hedge Funds Product Provider" at the 2008 European Fund of Hedge Funds Awards. The award spotlighted the Hedge Index

Tracker portfolio, which has a six-year track record and primary objective of tracking the performance of one of the hedge fund industry's leading benchmarks, the Credit Suisse/Tremont Hedge Fund Index.

- The quantitative strategies group raised CHF 4.9 billion in net new assets in the fourth quarter of 2008, bringing total net new assets to over CHF 8.7 billion for 2008.
- Total Return Challenger and Defender funds remained top decile performers in their peer group.

Organizational and regional structure

Organizational structure

We operate in three global divisions and reporting segments – Private Banking, Investment Banking and Asset Management. Consistent with our client-focused integrated bank strategy, we coordinate activities in four regions, Switzerland, EMEA, the Americas and Asia Pacific. In addition, Shared Services provides corporate services and business support in the following areas:

- The CFO area includes financial accounting, controlling, product control, tax, treasury, investor relations, new business and global insurance.
- The COO area comprises Bank Efficiency Management, Centers of Excellence, Corporate Communications, Corporate Development, Corporate Real Estate & Services, Human Resources, Operational Excellence, Public Policy and Supply Management.
- The General Counsel area provides legal and compliance support to the business and other areas of Shared Services to protect the reputation of Credit Suisse by ensuring that employees have the necessary tools and expertise to comply with all applicable internal policies and external laws, rules and regulations.
- The CRO area comprises strategic risk management, credit risk management, risk measurement and management and operational risk oversight, which cooperate closely to maintain a strict risk control environment and to help ensure that our risk capital is deployed wisely.
- Information Technology leverages technology across the business to facilitate execution and product delivery and innovative systems and platforms to meet the needs of the other areas within Shared Services.

The CEOs of the divisions and regions report directly to the Group CEO, and together with the CFO, CROs and COO, they form the Executive Board of Credit Suisse. For a more detailed discussion of our Executive Board, refer to IV – Corporate governance.

Our structure is designed to promote cross-divisional collaboration while leveraging resources and synergies within each region. The regions perform a number of essential functions to coordinate and support the global operations of the three divisions. On a strategic level, they are responsible for corporate development and the establishment of regional business plans, projects and initiatives. They also have an oversight role in monitoring financial performance. Each region is responsible for the regulatory relationships within its boundaries, as well as for regulatory risk management and the resolution of significant issues in the region as a whole or its constituent countries. Other responsibilities include client and people leadership and the coordination of the delivery of Shared Services and business support in the region.

Key market regions

Switzerland

Switzerland, our home market, represents a broad business portfolio. We employ 21,000 people in Switzerland. In the Swiss retail business, we aim for accelerated organic growth. Focus areas include client acquisition and retention, supported by marketing efforts to communicate our increased client focus and the continued optimization of our branch network. In Wealth Management, we offer expert advice and a comprehensive range of investment products and services tailored to different client groups. Leveraging the full spectrum of our cross-divisional capabilities, we aim to offer unique value propositions, such as inheritance consulting, to further drive growth. With regard to Swiss corporate and institutional clients, we aim to continue our growth track by building superior targeted value propositions, covering the full range of client needs through intensive collaboration throughout the integrated Group. Targeted growth segments include international small and medium enterprises, mid-sized institutional investors and financial institutions with transaction banking needs.

EMEA

EMEA comprises operations in 28 countries and 8,800 employees. Regional management and the majority of the regional support functions are located in London. The geographic coverage includes a diverse market portfolio, ranging from established economies in the UK and Western Europe to developing markets such as the Middle East and Russia. We implement our client-focused integrated strategy at the country level, serving predominantly clients that require tailored and innovative solutions. To leverage our cross-divisional capabilities, we foster collaboration among employees across divisions and borders, encourage mobility and hire key talent. We pursue an active cooperation strategy, particularly with other financial institutions, and continue to drive strategic initiatives across the region. Relevant initiatives include increasing busi-

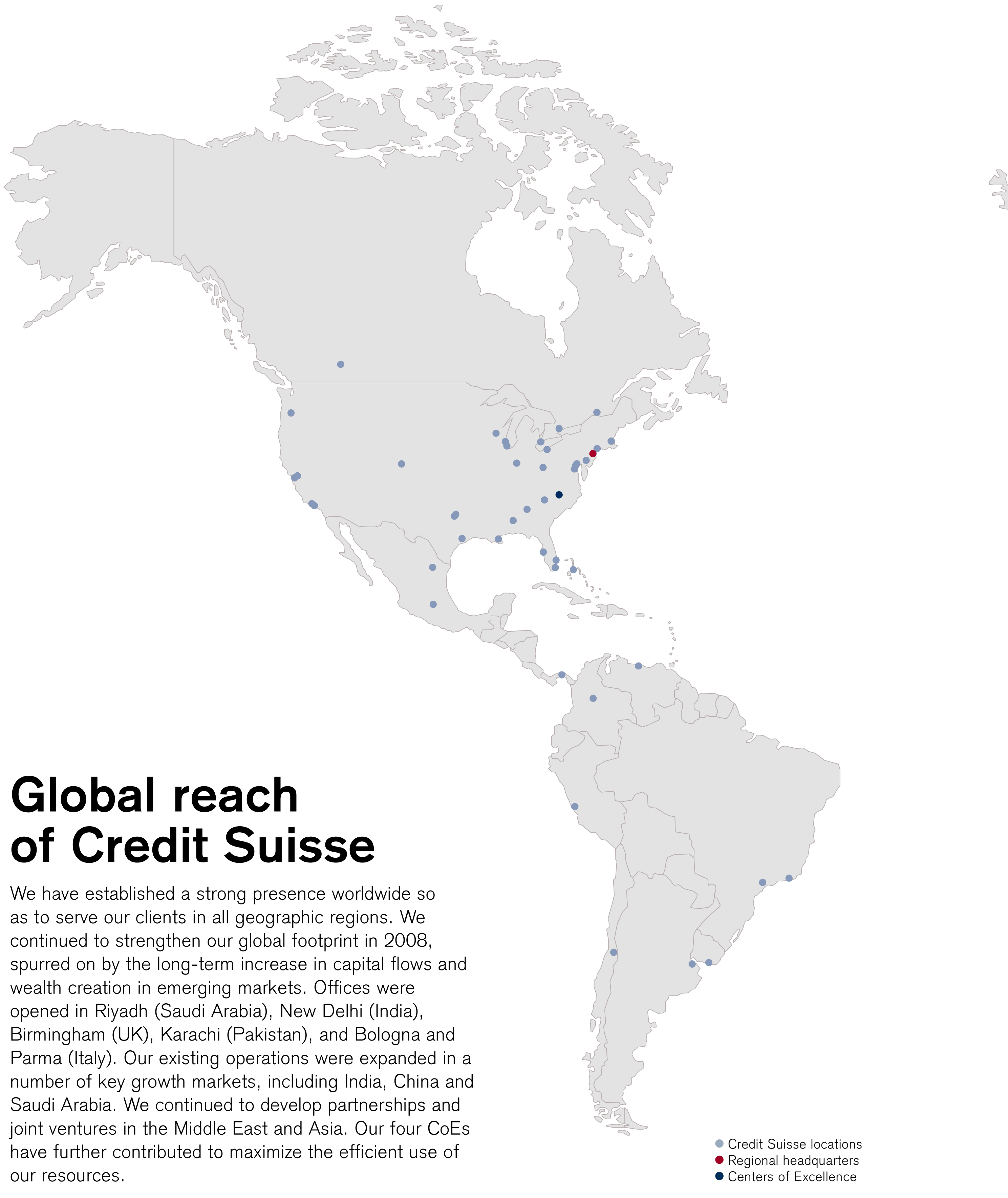
ness with key clients and building tailored cross-divisional offerings for targeted client segments. We also continue to strengthen our footprint across the region by expanding our geographic coverage and enhancing our product offering.

Americas

Americas comprises our operations in the US, Canada and Latin America with 11,400 employees. In the US, our focus is on diversifying revenues in Investment Banking and reallocating resources to less correlated, high-growth businesses, such as equity derivatives, prime services, rates, foreign exchange and electronic trading. In Private Banking, we see considerable potential to leverage our cross-divisional capabilities as we further develop our onshore wealth management platform. We significantly expanded our US Private Banking presence with the addition of 110 relationship managers in 2008. New product launches in private equity and active growth of hedge funds will help to bolster our alternative investments business. In Canada, we will continue to build on strong momentum in our securities businesses and leverage our banking advisory strength. In Latin America, we will focus on leveraging our leading market position in Brazil, providing clients with a full range of cross-divisional services and continuing the development of our onshore private banking platform in Mexico.

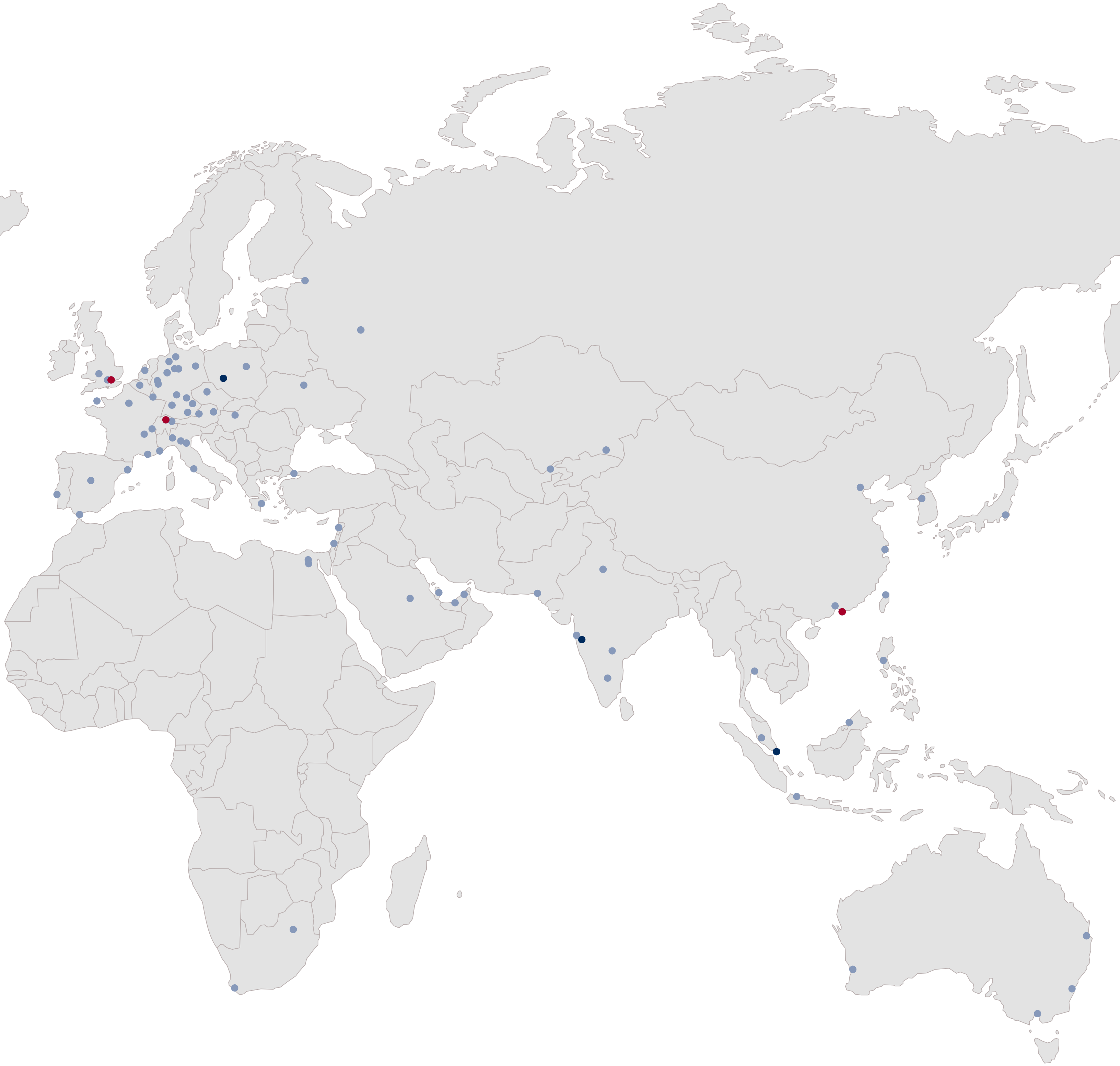
Asia Pacific

Asia Pacific primarily comprises operations in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Pakistan, Singapore, Taiwan and Thailand, with 6,600 employees. We aim to substantially increase our presence in larger markets such as Australia, China, India and Japan, broaden the scope of our offerings in other countries and invest in new emerging franchises. We continue to enhance our client focus, striving to be the partner of choice for targeted clients and to further expand our client coverage in areas such as the middle market segment. We remain focused on further developing our value proposition tailored to local client needs in the region, while leveraging our global expertise and market insights with a particular focus on alternative investments, structured products and private capital raising.



Global reach of Credit Suisse

We have established a strong presence worldwide so as to serve our clients in all geographic regions. We continued to strengthen our global footprint in 2008, spurred on by the long-term increase in capital flows and wealth creation in emerging markets. Offices were opened in Riyadh (Saudi Arabia), New Delhi (India), Birmingham (UK), Karachi (Pakistan), and Bologna and Parma (Italy). Our existing operations were expanded in a number of key growth markets, including India, China and Saudi Arabia. We continued to develop partnerships and joint ventures in the Middle East and Asia. Our four CoEs have further contributed to maximize the efficient use of our resources.



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Corporate citizenship

Corporate responsibility provides the foundation for all our activities. Credit Suisse's greatest obligation as a good corporate citizen is to manage its core business responsibly and successfully in the interests of its shareholders, clients and employees. At the same time, we endeavor to meet the needs of other stakeholders, contribute to society and act in a way that promotes sustainability for the good of the environment.

In our business practices, we place particular emphasis on integrity, professionalism and responsible action. To help us achieve this, our Code of Conduct, updated in 2008, contains ten key values that are binding for all staff members. These include our commitment to environmental sustainability and social responsibility. We view both of these factors as being essential to our long-term business success, which is why we set great store by honoring these responsibilities to the best of our ability, even in economically challenging times.

We support sustainable development at several levels. For our clients, we offer products and services focusing on the environment and society. For example, we use our expertise to offer products and advice connected with renewable forms of energy, resource efficiency and climate protection. In addition, we remain committed to fostering the development of microfinance. Risk assessment is another important factor when integrating sustainability into our core business activities. We have processes in place to ensure responsible conduct with regard to environmental and societal risks in our business transactions.

In 1997, we were the first bank in the world to receive ISO 14001 certification for our environmental management system. Credit Suisse has been greenhouse gas neutral in Switzerland since 2006, and in 2008 we continued to work on further reducing our emissions with the aim of soon becoming one of the first major banks in the world to be greenhouse gas neutral.

The financial crisis posed several challenges for Credit Suisse as an employer in 2008. For instance, we aligned our business activities to the changing needs of our clients and markets, which impacted some businesses and forced us to responsibly reduce our total number of employees. Credit Suisse implements decisions of this magnitude with extreme care. We look for amicable solutions, work closely with employee representatives and offer assistance to those affected. We realize, however, that this is a challenging time for everyone. This is why it is all the more important for us to ensure that our employees see us as a reliable partner who can offer them interesting and enriching career development in the long term, in a non-discriminatory environment based on equal opportunity.

As part of this partnership of understanding, Credit Suisse also encourages and supports employees who want to contribute to society, for example, through our corporate-wide volunteering program. Under our cooperation agreements with a range of partner organizations, Credit Suisse and its employees are able to play a part in protecting the environment and improving the lives of disadvantaged people. In addition, 2008 saw the implementation of four global initiatives that provide targeted assistance to projects in the areas of education, microfinance, climate protection and humanitarian aid.

Further information on our commitment is provided in our Corporate Citizenship Report 2008 and at *www.credit-suisse.com/citizenship*.

Regulation and supervision

Overview

Our operations are regulated by authorities in each of the jurisdictions in which we have offices, branches and subsidiaries. Central banks and other bank regulators, financial services agencies, securities agencies and exchanges and self-regulatory organizations are among the regulatory authorities that oversee our banking, investment banking and asset management businesses. The supervisory and regulatory regimes of the countries in which we operate will determine to some degree our ability to expand into new markets, the services and products that we will be able to offer in those markets and how we structure specific operations.

There is coordination among our primary regulators in Switzerland, the US and the UK. The principal regulatory structures that apply to our operations are discussed below.

In response to the extremely challenging financial and credit market conditions that began in the second half of 2007, regulators, including our primary regulators, announced that they are reviewing the regulatory framework for financial services firms. We expect regulation of the financial services industry to increase. For information on risks that may arise from an increase in regulation, refer to IX – Additional information – Risk factors.

Switzerland

Although Credit Suisse Group is not a bank according to the Swiss Federal Law on Banks and Savings Banks of November 8, 1934, as amended (Bank Law), and its Implementing Ordinance of May 17, 1972, as amended (Implementing Ordinance), the Group is required, pursuant to the provisions on consolidated supervision of financial groups and conglomerates of the Bank Law, to comply with certain requirements for banks, including with respect to capital adequacy, solvency and risk concentration on a consolidated basis and reporting obligations. Effective January 1, 2009, the Swiss Federal Banking Commission was merged into the FINMA. Our banks in Switzerland are regulated by the FINMA on a legal entity basis and, if applicable, on a consolidated basis.

Our banks in Switzerland operate under banking licenses granted by the FINMA pursuant to the Bank Law and the Implementing Ordinance. In addition, certain of these banks hold securities dealer licenses granted by the FINMA pursuant to the SESTA.

The FINMA is the highest bank supervisory authority in Switzerland and is independent from the SNB. Under the Bank Law, the FINMA is responsible for the supervision of the Swiss banking system. The SNB is responsible for implementing the government's monetary policy relating to banks and securities dealers and for ensuring the stability of the financial system.

Our banks in Switzerland are subject to close and continuous prudential supervision and direct audits by the FINMA. Under the Bank Law, our banks are subject to inspection and supervision by an independent auditing firm recognized by the FINMA, which is appointed by the bank's board of directors and required to perform annual audits of the bank's financial statements and to assess whether the bank is in compliance with laws and regulations, including the Bank Law, the Implementing Ordinance and FINMA regulations.

Under the Bank Law, a bank must maintain an adequate ratio between its capital resources and its total risk-weighted assets. This requirement applies to the Group on a consolidated basis. For purposes of complying with Swiss capital requirements, bank regulatory capital is divided into tier 1 and tier 2 capital.

Our regulatory capital is calculated on the basis of US GAAP, with certain adjustments required by, or agreed with, the FINMA. The Group is required by the FINMA to maintain a minimum regulatory capital ratio, set by the BIS and Swiss capital adequacy regulations, of 8% measured on a consolidated basis, calculated by dividing total eligible capital, adjusted for certain deductions, by aggregate risk-weighted assets.

We became subject to the requirements of the Basel II capital adequacy standards on January 1, 2008, subject to a "Swiss finish" under the Capital Adequacy Ordinance. In November 2008, we agreed to a decree issued by the FINMA requiring that we comply with new capital adequacy ratios, in lieu of the "Swiss finish", and leverage capital requirements by the year 2013. The new capital adequacy target will be in a range between 50% and 100% above the Pillar I requirements under Basel II. In addition, the decree includes leverage capital requirements that require us to maintain by 2013 a ratio of core eligible capital to total assets (on a non-risk-weighted basis) of 3% at the Group and Bank consolidated level and 4% at the Bank legal entity level. Total assets are adjusted for purposes of calculating the leverage ratio, and adjustments relate to assets from Swiss lending activities and assets excluded in determining regulatory core capital. These requirements, which will be phased in, are intended to be counter-

cyclical, with the expected capital adequacy target level 100% above the Pillar I requirements, and a leverage ratio above the minimum 3% or 4%, during good times. For further information on our capital, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Capital management.

Banks are required to maintain a specified liquidity ratio under Swiss law. According to the FINMA's decree, the Group is required to maintain adequate levels of liquidity on a consolidated basis and is not required to comply with the detailed calculations for banks.

Under Swiss banking law, banks and securities dealers are required to manage risk concentration within specific limits. Aggregated credit exposure to any single counterparty or a group of related counterparties must bear an adequate relationship to the bank's eligible capital, taking into account counterparty risks and risk mitigation instruments.

Under the Bank Law and SESTA, Swiss banks and securities dealers are obligated to keep confidential the existence and all aspects of their relationships with customers. These customer confidentiality laws do not, however, provide protection with respect to criminal offenses such as insider trading, money laundering, terrorist financing activities or tax fraud or prevent the disclosure of information to courts and administrative authorities.

Our securities dealer activities in Switzerland are conducted primarily through the Bank and are subject to regulation under SESTA, which regulates all aspects of the securities dealer business in Switzerland, including regulatory capital, risk concentration, sales and trading practices, record-keeping requirements and procedures and periodic reporting procedures. Securities dealers are supervised by the FINMA.

Our asset management activities in Switzerland, which include the establishment and administration of mutual funds registered for public distribution, are conducted under the supervision of the FINMA.

US

Our operations are subject to extensive federal and state regulation and supervision in the US. Our direct US offices are composed of a New York branch (New York Branch), a Florida international administrative office and representative offices in New York and California. Each of these offices is licensed with, and subject to examination and regulation by, the state banking authority in the state in which it is located.

The New York Branch is licensed by the Superintendent of Banks of the State of New York (Superintendent), examined by the New York State Banking Department, and subject to laws and regulations applicable to a foreign bank operating a New York branch. Under the New York Banking Law, the New York Branch must maintain eligible assets with banks in the state of New York. The amount of eligible assets required, which is expressed as a percentage of third-party liabilities, would increase if the New York Branch is no longer designated well rated by the Superintendent.

The New York Banking Law authorizes the Superintendent to take possession of the business and property of the New York Branch under circumstances generally including violations of law, unsafe or unsound practices or insolvency. In liquidating or dealing with the New York Branch's business after taking possession, the Superintendent would only accept for payment the claims of creditors (unaffiliated with us) that arose out of transactions with the branch. After the claims of those creditors were paid out of the business and property of the New York Branch, the Superintendent would turn over the remaining assets, if any, to us or our liquidator or receiver.

Under New York Banking Law, the New York Branch is generally subject to the single borrower lending limits expressed as a percentage of the worldwide capital of the Bank.

Our operations are also subject to reporting and examination requirements under US federal banking laws. Our US non-banking operations are subject to examination by the Board of Governors of the FRB in its capacity as our US umbrella supervisor. The New York Branch is also subject to examination by the FRB. The New York Branch is subject to Fed requirements on deposits and restrictions on the payment of interest on demand deposits. Because the New York Branch does not engage in retail deposit taking, it is not a member of, and its deposits are not insured by, the US FDIC.

US federal banking laws provide that a state-licensed branch (such as the New York Branch) or agency of a foreign bank may not, as a general matter, engage as principal in any type of activity that is not permissible for a federally licensed branch or agency of a foreign bank unless the FRB has determined that such activity is consistent with sound banking practice. US federal banking laws also subject a state branch or agency to single borrower lending limits based on the capital of the entire foreign bank.

The FRB may terminate the activities of a US branch or agency of a foreign bank if it finds that the foreign bank: (i) is not subject to comprehensive supervision in its home country; or (ii) has violated the law or engaged in an unsafe or unsound banking practice in the US.

A major focus of US policy and regulation relating to financial institutions has been to combat money laundering and terrorist financing. These laws and regulations impose obligations to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist

financing, verify the identity of customers and comply with economic sanctions. Any failure to maintain and implement adequate programs to combat money laundering and terrorist financing, and violations of such economic sanctions, laws and regulations, could have serious legal and reputational consequences. We take our obligations to prevent money laundering and terrorist financing very seriously, while appropriately respecting and protecting the confidentiality of clients. We have policies, procedures and training intended to ensure that our employees comply with "know your customer" regulations and understand when a client relationship or business should be evaluated as higher risk for us.

On March 23, 2000, Credit Suisse Group and the Bank became financial holding companies for purposes of US federal banking law and, as a result, may engage in a substantially broader range of non-banking activities in the US, including insurance, securities, private equity and other financial activities. Credit Suisse Group is still required to obtain the prior approval of the FRB (and potentially other US banking regulators) before acquiring, directly or indirectly, the ownership or control of more than 5% of any class of voting shares of any US bank, bank holding company or many other US depository institutions and their holding companies, and the New York Branch is also restricted from engaging in certain tying arrangements involving products and services. If Credit Suisse Group or the Bank ceases to be well-capitalized or well-managed under applicable FRB rules, or otherwise fails to meet any of the requirements for financial holding company status, it may be required to discontinue certain financial activities or terminate its New York Branch. Credit Suisse Group's ability to undertake acquisitions permitted by financial holding companies could also be adversely affected.

The SEC is the federal agency primarily responsible for the regulation of broker-dealers, investment advisers and investment companies, while the CFTC is the federal agency primarily responsible for the regulation of futures commission merchants, commodity pool operators and commodity trading advisors. In addition, the Department of the Treasury has the authority to promulgate rules relating to US Treasury and government agency securities, the Municipal Securities Rulemaking Board (MSRB) has the authority to promulgate rules relating to municipal securities, and the MSRB also promulgates regulations applicable to certain securities credit transactions. In addition, broker-dealers are subject to regulation by securities industry self-regulatory organizations, including the FINRA (formed in July 2007 by the merger of the former National Association of Securities Dealers, Inc. and the member regulation, enforcement and arbitration functions of the NYSE), and by state securities authorities. For futures activities, broker-dealers are subject to futures industry self-regulatory organizations such as the National Futures Association.

Our broker-dealers are registered with the SEC and in all 50 states, the District of Columbia and Puerto Rico, and our futures commission merchants and commodity trading advisors are registered with the CFTC. Our investment banking business is subject to regulation covering all aspects of our securities and futures activities, including: capital requirements; the use and safekeeping of customer funds and securities; the suitability of customer investments; record-keeping and reporting requirements; employee-related matters; limitations on extensions of credit in securities transactions; prevention and detection of money laundering and terrorist financing; procedures relating to research analyst independence; procedures for the clearance and settlement of trades; and communications with the public.

Our broker-dealers are also subject to the SEC's net capital rule, which requires broker-dealers to maintain a specified level of minimum net capital in relatively liquid form. Compliance with the net capital rule could limit operations that require intensive use of capital, such as underwriting and trading activities and the financing of customer account balances and also could restrict our ability to withdraw capital from our broker-dealers. Certain of our broker-dealers are also subject to the net capital requirements of various self-regulatory organizations.

As registered futures commission merchants, certain of our broker-dealers are subject to the capital and other requirements of the CFTC.

The investment banking and asset management businesses include legal entities registered and regulated as investment advisers by the SEC. The SEC-registered mutual funds that we advise are subject to the Investment Company Act of 1940. For pension fund customers, we are subject to the Employee Retirement Income Security Act of 1974 and similar state statutes. We are subject to the Commodity Exchange Act for investment vehicles we advise that are commodity pools.

EU

Since it was announced in 1999, the EU's Financial Services Action Plan has given rise to numerous measures (both directives and regulations) aimed at increasing integration and harmonization in the European market for financial services. While regulations have immediate and direct effect in member states, directives must be implemented through national legislation. As a result, the terms of implementation of directives are not always consistent from country to country.

The Capital Requirements Directive, implemented in various EU countries including the UK, applies the Basel II capital framework for banking groups operating in the EU.

On November 1, 2007, the national implementing legislation for the MiFID became effective in various EU countries. MiFID establishes high-level organizational and business conduct standards that apply to all investment firms. These include new standards for managing conflicts of interest, best execution, customer classification and suitability requirements for customers. MiFID sets standards for regulated markets (i.e., exchanges) and multilateral trading facilities and sets out pre-trade and post-trade price transparency requirements for equity trading. MiFID also sets standards for the disclosure of fees and other payments received from or paid to third parties in relation to investment advice and services and regulates investment services relating to commodity derivatives. In relation to these and other investment services and activities, MiFID provides a "passport" for investment firms, enabling them to conduct cross-border activities and establish branches throughout Europe on the basis of authorization from their home state regulator.

UK

The UK FSA is the principal statutory regulator of financial services activity in the UK, deriving its powers from the FSMA. The FSA regulates banking, insurance, investment business and the activities of mortgage intermediaries. The FSA generally adopts a risk-based approach, supervising all aspects of a firm's business, including capital resources, systems and controls and management structures, the conduct of its business, anti-money laundering and staff training. The FSA has wide investigatory and enforcement powers, including the power to require information and documents from financial services businesses, appoint investigators, apply to the court for injunctions or restitution orders, prosecute criminal offenses, impose financial penalties, issue public statements or censures and vary, cancel or withdraw authorizations it has granted.

As a member state of the EU, the UK is required to implement EU directives into national law. The regulatory regime for banks operating in the UK conforms to required EU standards including compliance with capital adequacy standards, customer protection requirements, conduct of business rules and anti-money laundering rules. These standards, requirements and rules are similarly implemented, under the same directives, throughout the other member states of the EU in which we operate and are broadly comparable in scope and purpose to the regulatory capital and customer protection requirements imposed under US law.

The London branch of Credit Suisse (London Branch), Credit Suisse International and Credit Suisse (UK) Limited are authorized to take deposits. We also have a number of entities authorized to conduct investment business and asset management activities. In deciding whether to grant authorization, the FSA must first determine whether a firm satisfies the threshold conditions for authorization, including the requirement for the firm to be fit and proper. In addition to regulation by the FSA, certain wholesale money markets activities are subject to the Non-Investment Products Code, a voluntary Code of Conduct published by the Bank of England which FSA-regulated firms are expected to follow when conducting wholesale money market business.

The FSA requires banks operating in the UK to maintain adequate liquidity. The FSA cannot set capital requirements for the London Branch, but requires Credit Suisse International and Credit Suisse (UK) Limited to maintain a minimum capital ratio and to monitor and report large exposures in accordance with the rules implementing the Capital Requirements Directive.

On November 1, 2007, MiFID became effective in the UK and applies to our authorized entities in the UK. The London Branch will be required to continue to comply principally with its Swiss home country regulation.

Our London broker-dealer subsidiaries and asset management companies are authorized under the FSMA and are subject to regulation by the FSA. In deciding whether to authorize an investment firm in the UK, the FSA will consider threshold conditions for suitability, including the general requirement for a firm to be fit and proper. The FSA is responsible for regulating most aspects of an investment firm's business, including its regulatory capital, sales and trading practices, use and safekeeping of customer funds and securities, record-keeping, margin practices and procedures, registration standards for individuals carrying on certain functions, anti-money laundering systems and periodic reporting and settlement procedures.

II

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Operating environment

The operating environment was extremely challenging in 2008, as the financial crisis and market turmoil increasingly affected the economy. The global economy cooled rapidly in the second half of the year, and the US, Japan and most of Europe, including Switzerland, entered a recession. Following the bankruptcy of Lehman Brothers in September, credit markets deteriorated and volatility reached high levels.

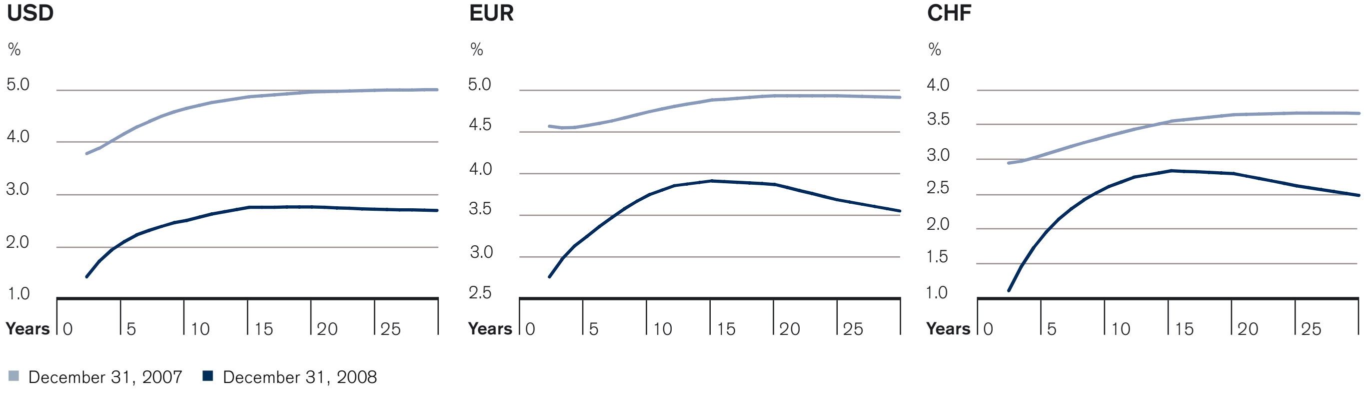
Economic environment

Against the backdrop of the financial crisis, 2008 was characterized by declines in economic growth, which intensified towards the end of the year. Industrial production reached a peak near the end of 2007 and employment in the US then started falling. Housing prices in several countries began to slide and banks continued to tighten lending standards. The US government implemented a USD 150 billion fiscal stimulus package in the summer, which consisted mainly of tax rebates, but failed to stimulate private consumption. Funding and refinancing concerns became a major issue, with LIBOR rates at very high levels, clear dislocations in the financial system, debt markets largely closed and investors' risk aversion mounting. Bond spreads and interbank interest rates spiked in October following the bankruptcy of Lehman Brothers, increasing financing costs not only for banks, but also for highly-rated non-financial borrowers. This situation improved at the end of the year (refer to the chart "Money markets") following unprecedented market interventions of central banks and governments. Equity markets sold off sharply and volatility increased dramatically (refer to the charts "Equity markets").

Despite clear signs of an economic slowdown, commodity prices continued to rise until July, stoking inflation fears. Some commodity markets showed signs of overheating, reflecting increased demand as investors rebalanced their portfolios. Agricultural products and precious metals recorded strong price increases, as those markets were supported by tightening supply and continued strong fundamental demand. As a result, inflation rose sharply across the globe. In the euro-

Yield curves

With high risk aversion and weak economic environment, yield levels declined significantly.



Source: Datastream, Credit Suisse / IDC

Equity markets

2008 saw sharp declines in equities. In particular, bank stocks were hit hard by the financial crisis. Volatility was at record levels.

Performance region

Index (December 31, 2007 = 100)

Source: MSCI, Bloomberg, Credit Suisse / IDC

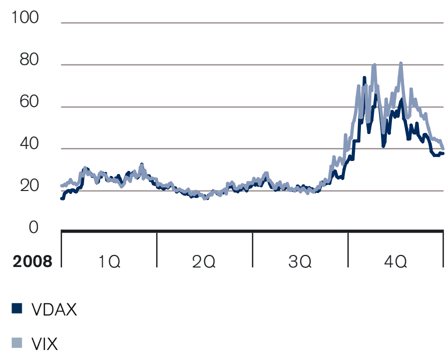
Performance world banks

Index (December 31, 2007 = 100)

Source: MSCI, Datastream, Credit Suisse / IDC

Volatility

%



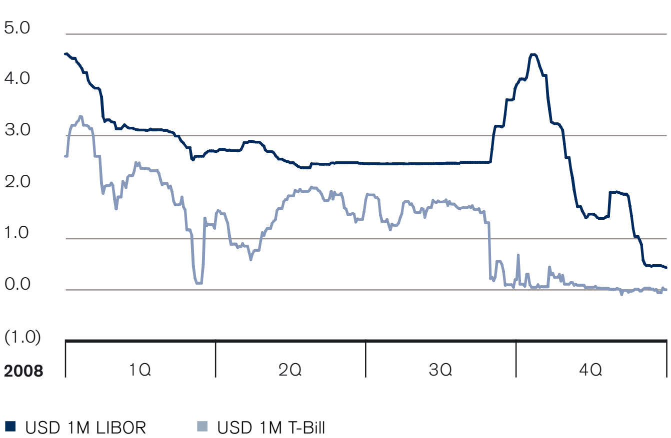
Source: Datastream, Credit Suisse / IDC

zone, inflation climbed to 4.0% – double the ECB target. Several central banks reacted with interest rate hikes, while others delayed rate cuts. Higher inflation squeezed consumers' purchasing power and retail sales weakened markedly. Trade unions responded with higher wage demands and wages in the euro-zone rose at their strongest pace in years.

Money markets

Increased risk aversion widened the TED spread significantly. At the end of the year, the situation improved.

%



Source: Bloomberg, Credit Suisse / IDC

After reaching the mid-year peak, commodity prices subsequently fell sharply, due to deleveraging, risk reduction and the sharp slowdown in economic activity, all of which eased inflationary pressures. This gave central banks scope to use monetary policy to cushion the emerging economic weakness, with monetary authorities cutting rates aggressively. The BoE lowered rates 300 basis points, the ECB 175 basis points and the SNB 225 basis points. In the fourth quarter, the softening global economy turned into an abrupt deceleration and an unusually synchronized and severe global downturn set in. Industrial production plummeted and was down 8% on average year on year in the US, the euro-zone and Japan as of November. Exports fell sharply, with Japanese exports dropping 35% year on year in December, the largest decline on record. During the fourth quarter, US gross domestic product contracted 4%, the sharpest drop since the early 1980s. Emerging markets also felt the blow of weaker external demand, but domestic demand largely held up.

With interest rates approaching zero in the US, the Fed switched to what is referred to as a "credit easing" strategy, where it provides credit directly to the private sector via the purchase of CP and mortgage-backed securities and support for the ABS market. This resulted in the doubling of the Fed's balance sheet. Many governments responded with fiscal packages and measures to shore up the banking sector, including debt guarantees and capital injections. During the most severe bouts of selling in equity and commodities markets, yields on government bonds reached the lowest levels in decades due to very high risk aversion and fears of deflation (refer to the charts "Yield curves"). After having traded for years at similar

Market volumes (growth in % year on year)

2008	Global	Europe
Equity trading volume [1]	(11)	(27)
Fixed income trading volume [2]	2	23
Announced mergers and acquisitions [3]	(29)	(29)
Completed mergers and acquisitions [3]	(28)	(24)
Equity underwriting [3]	(36)	(40)
Debt underwriting [3]	(38)	(36)
Syndicated lending – investment-grade [3]	(36)	–

[1] LSE, Borsa Italiana, Deutsche Börse, BME, SWX Europe, NYSE Euronext, NASDAQ [2] Deutsche Börse, Federal Reserve Bank of New York [3] Dealogic

yields to German government bonds, non-core euro-zone governments saw a sharp sell-off in their bonds as concerns about their budgetary situations developed, and yield differentials widened to around 200 basis points.

The US dollar depreciated during the first half of 2008, especially against the euro, as yield differentials widened due to the Fed's easing strategy. As a result, export growth in the US surged. The US dollar rebounded in the second half through mid-November, reflecting deleveraging, flight to quality, aggressive monetary easing outside the US and the forced buying of US dollars by European banks, due to currency mismatches (a consequence of write-downs of US dollar assets). The Swiss franc strongly outperformed in Europe, reflecting Switzerland's relative strength as a net creditor, the unwinding of carry trades and rate differentials with other currencies narrowing sharply. The euro fell to an all-time low of 1.43 against the Swiss franc.

Sector environment

2008 was the most challenging year for the financial sector and capital markets in decades. Sharply lower appetite for risk constrained the willingness or ability of some market participants to maintain their existing positions. As leveraged investment strategies unwound, forced selling by hedge funds led to distressed prices in some asset classes, triggering substantial fair value reductions by banks.

Against this backdrop, banks and regulators increased their focus on capital requirements, more transparent disclosure and the effects of fair value accounting. Credit spreads on a wide range of financial instruments and markets continued to widen, especially in the second half of 2008. The stand-alone investment banking business model in the US was a casualty of severe balance sheet problems. As the US Treasury intervened to prevent systemic failures, several major banks, investment banking firms and brokerages were forced to merge.

The dysfunction in credit and financial markets resulted in significant events in the financial services industry. Bear Stearns Companies Inc. (Bear Stearns) required emergency financing from the Fed to avoid insolvency and was subsequently acquired by JP Morgan Chase & Co., with additional financial support from the Fed. The US government took conservatorship of Fannie Mae and Freddie Mac, Lehman Brothers went bankrupt, Bank of America agreed to acquire Merrill Lynch & Co., Inc. and the Fed granted emergency loans to American International Group. The financial crisis spread unabated to Europe where events included the takeover of Halifax Bank of Scotland by Lloyds TSB and government interventions in Germany and Switzerland, in Belgium, the Netherlands and Luxemburg, the UK and Iceland. Additionally, the US Department of the Treasury responded to significant redemption pressure in money market funds by establishing a temporary guarantee for certain US funds. Central banks took further steps to stabilize their markets by injecting liquidity and easing collateral requirements for their lending facilities. To increase confidence, many European countries issued guarantees of bank deposits. The US Treasury announced a plan to invest up to USD 250 billion of Troubled Asset Relief Program funds directly into banks, and the US FDIC announced an unlimited guarantee on certain bank deposits and bank debt. Other governments issued guarantees of debt securities and certain assets of eligible financial institutions and issued or increased the amount of guarantees on bank deposits. In Switzerland, bank deposit guarantees increased from CHF 30,000 to CHF 100,000.

Discussions about potential regulatory changes for the banking sector gained urgency, focusing on capital, balance sheet leverage ratios and ways to encourage increased transparency of risk positions and off-balance sheet exposures.

Investor focus moved from short-term systemic credit risk to concern about the longer-term effects of the credit turmoil and the commodities price shock. After oil prices surged above USD 140 per barrel at mid-year, volatility increased in the bond and equity markets and has remained elevated. Continued falling housing prices and rising non-performing loans aggravated the economic slowdown in the US, and equity markets fell sharply. The banking sector continued to raise high levels of capital, which put additional pressure on the sector's share valuations.

Both equity and fixed income trading volumes were supported by the high volatility levels. However, the emergence of new trading platforms caused major stock exchanges to lose market share. Fixed income volumes were higher in 2008 than in 2007, globally and in Europe. Equity underwriting activity slowed significantly in 2008, as investors stayed away from capital markets amid the economic and financial crisis. Announced mergers and acquisitions volumes were down 29% for the year both globally and in Europe, and completed mergers and acquisitions volumes decreased 28% globally and 24% in Europe. Global debt underwriting was down 38%, reflecting the turmoil in credit markets and more conservative credit standards applied by banks and other financial institutions.

Credit Suisse

In 2008, we recorded a net loss of CHF 8,218 million, reflecting intensified market disruption and further significant valuation reductions and negative trading revenues in Investment Banking and losses in private equity and other investments in Asset Management. Private Banking reported solid net revenues despite the challenging operating environment and diminished investor confidence. We further reduced our risk exposure and maintained a strong capital base.

Results

	in			% change	
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net interest income	8,536	8,442	6,565	1	29
Commissions and fees	14,812	18,929	17,191	(22)	10
Trading revenues	(9,880)	6,146	9,427	–	(35)
Other revenues	(4,200)	5,804	4,960	–	17
Net revenues	**9,268**	**39,321**	**38,143**	(76)	3
Provision for credit losses	**813**	**240**	**(111)**	239	–
Compensation and benefits	13,254	16,098	15,520	(18)	4
General and administrative expenses	7,809	6,833	6,324	14	8
Commission expenses	2,294	2,410	2,091	(5)	15
Total other operating expenses	10,103	9,243	8,415	9	10
Total operating expenses	**23,357**	**25,341**	**23,935**	(8)	6
Income/(loss) from continuing operations before taxes	**(14,902)**	**13,740**	**14,319**	–	(4)
Income tax expense/(benefit)	(4,596)	1,248	2,394	–	(48)
Minority interests	(2,619)	4,738	3,630	–	31
Income/(loss) from continuing operations	**(7,687)**	**7,754**	**8,295**	–	(7)
Income/(loss) from discontinued operations	(531)	6	3,056	–	(100)
Extraordinary items	0	0	(24)	–	100
Net income/(loss)	**(8,218)**	**7,760**	**11,327**	–	(31)
Earnings per share (CHF)					
Basic earnings/(loss) per share from continuing operations	(7.33)	7.42	7.54	–	(2)
Basic earnings/(loss) per share	(7.83)	7.43	10.30	–	(28)
Diluted earnings/(loss) per share from continuing operations	(7.33)	6.95	7.20	–	(3)
Diluted earnings/(loss) per share	(7.83)	6.96	9.83	–	(29)
Return on equity (%)					
Return on equity	(21.1)	18.0	27.5	–	–
Return on tangible equity [1]	(29.3)	24.5	40.6	–	–
BIS statistics [2]					
Risk-weighted assets (CHF million)	257,467	312,068	253,676	–	23
Tier 1 capital (CHF million)	34,208	34,737	35,147	–	(1)
Total eligible capital (CHF million)	46,090	45,102	46,764	–	(4)
Tier 1 ratio (%)	13.3	11.1	13.9	–	–
Total capital ratio (%)	17.9	14.5	18.4	–	–

[1] Based on tangible shareholders' equity, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity. Management believes that the return on tangible shareholders' equity is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired. [2] Under Basel II from January 1, 2008. Prior periods are reported under Basel I and therefore are not comparable. For further information, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

Results summary

In 2008, we recorded a net loss of CHF 8,218 million, compared to net income of CHF 7,760 million in 2007. The net loss included a loss from discontinued operations of CHF 531 million relating to our agreement to sell part of our global investors business in Asset Management. Net revenues were CHF 9,268 million in 2008, down 76%, compared to 2007.

Private Banking delivered good net new assets and solid net revenues, with record results in Corporate & Retail Banking. The Private Banking results were impacted by net non-credit-related provisions of CHF 766 million relating to ARS and a CHF 190 million charge relating to the close-out of a client's account.

In Investment Banking, net revenues were negative, reflecting the intensified market disruption. The results were also negatively impacted by a severe widening of credit spreads resulting in sharp declines in fair value levels of credit instruments across most markets and an increase in the divergence between the cash and synthetic markets. The results also reflected higher credit-related exposures to certain trading counterparties. Our combined leveraged finance and structured products businesses had net valuation reductions of CHF 10,923 million in 2008 compared to CHF 3,187 million in 2007. Other areas adversely impacted by the extreme market disruption included structured fixed income derivatives, leveraged finance trading, emerging markets trading, long/short and event and risk arbitrage equity trading strategies, equity derivatives and convertibles, all of which recorded significant losses. However, Investment Banking reported good results in client-driven businesses, including flow-based rate and US and European high grade products, cash equities and prime services.

Asset Management results reflected private equity and other investment-related losses of CHF 676 million compared to gains of CHF 681 million in 2007. The vast majority of these were unrealized losses concentrated in middle-market private equity investments related to the real estate, distressed debt, financial services, commodity and energy sectors. The results also include losses on securities purchased from our money market funds of CHF 687 million, compared to losses of CHF 920 million in 2007.

Our results benefited from fair value gains of CHF 4,988 million from widening credit spreads on Credit Suisse debt. We continued to manage down our exposures to assets most significantly impacted by the dislocation in the mortgage and credit markets and to securities purchased from our money market funds. Provision for credit losses increased from CHF 240 million to CHF 813 million.

Total operating expenses decreased compared to 2007, with significantly higher general and administrative expenses, more than offset by lower performance-related compensation. The increase in general and administrative expenses primarily reflected costs of CHF 833 million related to the accelerated implementation of our strategic plan, recorded in the Corporate Center, the net provisions relating to ARS and the charge relating to the close-out of a client's account in Wealth Management.

In 2008, we recorded an income tax benefit due to the impact of the geographical mix of results in 2008 and the recognition of a tax benefit for the current period losses.

Diluted earnings per share from continuing operations in 2008 were a loss of CHF 7.33 compared to earnings of CHF 6.95 in 2007. The return on equity was (21.1)% compared to 18.0% in 2007.

Credit Suisse reporting structure

Credit Suisse and Core Results

in	Core Results 2008	2007	2006	Minority interests without SEI 2008	2007	2006	Credit Suisse 2008	2007	2006
Statements of operations (CHF million)									
Net revenues	**11,862**	**34,539**	**34,480**	**(2,594)**	**4,782**	**3,663**	**9,268**	**39,321**	**38,143**
Provision for credit losses	**813**	**240**	**(111)**	**0**	**0**	**0**	**813**	**240**	**(111)**
Compensation and benefits	13,179	15,982	15,467	75	116	53	13,254	16,098	15,520
General and administrative expenses	7,739	6,767	6,274	70	66	50	7,809	6,833	6,324
Commission expenses	2,294	2,410	2,091	0	0	0	2,294	2,410	2,091
Total other operating expenses	10,033	9,177	8,365	70	66	50	10,103	9,243	8,415
Total operating expenses	**23,212**	**25,159**	**23,832**	**145**	**182**	**103**	**23,357**	**25,341**	**23,935**
Income/(loss) from continuing operations before taxes	**(12,163)**	**9,140**	**10,759**	**(2,739)**	**4,600**	**3,560**	**(14,902)**	**13,740**	**14,319**
Income tax expense/(benefit)	(4,596)	1,248	2,394	0	0	0	(4,596)	1,248	2,394
Minority interests	120	138	70	(2,739)	4,600	3,560	(2,619)	4,738	3,630
Income/(loss) from continuing operations	**(7,687)**	**7,754**	**8,295**	**0**	**0**	**0**	**(7,687)**	**7,754**	**8,295**
Income/(loss) from discontinued operations	(531)	6	3,056	0	0	0	(531)	6	3,056
Extraordinary items	0	0	(24)	0	0	0	0	0	(24)
Net income/(loss)	**(8,218)**	**7,760**	**11,327**	**0**	**0**	**0**	**(8,218)**	**7,760**	**11,327**
Statement of operations metrics (%)									
Compensation/revenue ratio	111.1	46.3	44.9	–	–	–	143.0	40.9	40.7
Non-compensation/revenue ratio	84.6	26.6	24.3	–	–	–	109.0	23.5	22.1
Cost/income ratio	195.7	72.8	69.1	–	–	–	252.0	64.4	62.8
Pre-tax income margin	(102.5)	26.5	31.2	–	–	–	(160.8)	34.9	37.5
Effective tax rate	37.8	13.7	22.3	–	–	–	30.8	9.1	16.7
Income margin from continuing operations	(64.8)	22.4	24.1	–	–	–	(82.9)	19.7	21.7
Net income margin	(69.3)	22.5	32.9	–	–	–	(88.7)	19.7	29.7

Capital trends

Our consolidated BIS tier 1 ratio under Basel II was strong at 13.3% as of the end of 2008, compared to 10.0% as of the end of 2007. The increase reflected lower risk-weighted assets and increased tier 1 capital. We raised CHF 14.2 billion of tier 1 capital, net of fees, through the sale of treasury shares, the issuance of shares underlying mandatory convertible bonds and the net proceeds from the issuance of capital notes and tier 1 capital securities in 2008. The reported BIS tier 1 ratio under Basel I as of the end of 2007 was 11.1%.

At the AGM in May 2007, the shareholders approved a new share repurchase program of up to CHF 8 billion, of which CHF 4.1 billion, or 52%, was repurchased as of the end of 2008. We cancelled this buyback program in October.

Our Board of Directors will propose a cash dividend of CHF 0.10 per share for 2008 at the AGM on April 24, 2009. The proposal is subject to approval at the AGM.

For further information on capital trends, refer to III –Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

Accelerated implementation of our strategic plan

On December 4, 2008, we announced the accelerated implementation of our strategic plan, including the continued investment in Private Banking, the reduction of risk, volatility and costs in Investment Banking and the alignment of Asset Management. For further information, refer to I – Information on the company.

Sale of part of global investors business in Asset Management

On December 31, 2008, we signed an agreement to sell part of our global investors business in Asset Management to Aberdeen Asset Management (Aberdeen) for up to a maximum of 24.9% of the share capital of Aberdeen, valued at GBP 250 million (CHF 381 million). The transaction is subject to regulatory approvals in various jurisdictions, and is expected to close in the second quarter of 2009. The business to be sold comprises the majority of our global investors business in

Europe (excluding Switzerland), the US and Asia Pacific. A small number of Swiss-domiciled funds will transfer to Aberdeen. The global investors business to be sold, including the costs associated with the transaction and a charge on the allocated goodwill of CHF 577 million, is presented as discontinued operations and is not included in the Asset Management results. Prior periods have been restated to conform to the current presentation.

Core Results

Core Results include the results of our three segments and the Corporate Center and discontinued operations. Credit Suisse's results also include revenues and expenses from the consolidation of certain private equity funds and other entities in which we do not have a significant economic interest in such revenues and expenses. The consolidation of these entities does not affect net income as the amounts recorded in net revenues and total operating expenses are offset by corresponding amounts reported as minority interests. In addition, our income tax expense is not affected by these revenues and expenses. These minority interest-related revenues and expenses are reported as "Minority interests without SEI" in the "Credit Suisse and Core Results" table.

Corporate Center includes parent company operations such as Group financing, expenses for projects sponsored by the Group and certain expenses that have not been allocated to the segments. In addition, Corporate Center includes consolidation and elimination adjustments required to eliminate intercompany revenues and expenses.

Certain reclassifications have been made to prior periods to conform to the current presentation.

Allocations and funding

Revenue sharing and cost allocation

Responsibility for each product is allocated to a segment, which records all related revenues and expenses. Revenue-sharing and service level agreements govern the compensation received by one segment for generating revenue or providing services on behalf of another. These agreements are negotiated periodically by the relevant segments on a product-by-product basis. The aim of revenue-sharing and service level agreements is to reflect the pricing structure of unrelated third-party transactions. Corporate services and business support in finance, operations, including human resources, legal and compliance, risk management and information technology are provided by the Shared Services area. Shared Services costs are allocated to the segments and Corporate Center based on their requirements and other relevant measures.

Funding

We centrally manage our funding activities. New securities for funding and capital purposes are issued primarily by the Bank. The Bank lends these funds to its operating subsidiaries and affiliates on both a senior and subordinated basis, as needed, the latter typically to meet capital requirements, or as desired by management to capitalize on opportunities. Capital is distributed to the segments considering factors such as regulatory capital requirements, utilized economic capital and the historic and future potential return on capital. Transfer pricing, using market rates, is used to record interest income and expense in each of the segments for this capital and funding. Included in this allocation are gains and losses recorded on the fair value of Credit Suisse own debt.

Remediation of certain internal control matters

Our remediation plan with respect to internal controls over the valuation of certain ABS positions in the CDO trading business within Investment Banking was fully implemented by the end of 2008. All relevant key controls have been successfully tested for operating effectiveness, and the material weakness in internal controls over the valuation of certain ABS positions in the CDO trading business within Investment Banking has been remediated.

For further information, refer to V – Consolidated financial statements – Credit Suisse Group – Controls and procedures and VII – Consolidated financial statements – Credit Suisse (Bank) – Controls and procedures.

Differences between Group and Bank

Except where noted, the business of the Bank is substantially the same as the business of Credit Suisse Group, and substantially all of the Bank's operations are conducted through the Private Banking, Investment Banking and Asset Management segments. These segment results are included in Core Results. Certain other assets, liabilities and results of operations are managed as part of the activities of the three segments, however, since they are legally owned by the Group, they are not included in the Bank's consolidated financial statements. In 2008, these related principally to the activities of Clariden Leu, Neue Aargauer Bank and BANK-now, which are managed as part of Private Banking, and hedging activities relating to share-based compensation awards. Prior to 2007,

BANK-now was a subsidiary of the Bank and accordingly its results of operations through the end of 2006 were included in the Bank's consolidated statements of operations. Core Results also includes certain Group corporate center activities that are not applicable to the Bank.

These operations and activities vary from period to period and give rise to differences between the Bank's consolidated assets, liabilities, revenues and expenses, including pensions and taxes, and those of the Group. For further information on the Bank refer to Note 39 – Supplementary subsidiary guarantee information in V – Consolidated financial statements – Credit Suisse Group and VII – Consolidated financial statements – Credit Suisse (Bank).

Differences between Group and Bank businesses

Entity	Principal business activity
Clariden Leu [1]	Banking and securities
Neue Aargauer Bank	Banking (in the Swiss canton of Aargau)
BANK-now [2]	Private credit and car leasing (in Switzerland)
Financing vehicles of the Group	Special purpose vehicles for various funding activities of the Group, including for purposes of raising consolidated capital

[1] Formed as of January 1, 2007 by the merger of the private banks Clariden Bank, Bank Leu, Bank Hofmann and BGP Banca di Gestione Patrimoniale, and the securities dealer Credit Suisse Fides. [2] Formed as of January 3, 2007 as a subsidiary of Credit Suisse Group. The operations comprising BANK-now were previously recorded in the Bank.

Comparison of consolidated statements of operations

			Group			Bank
in	**2008**	2007	2006	**2008**	2007	2006
Statements of operations (CHF million)						
Net revenues	**9,268**	**39,321**	**38,143**	**7,305**	**36,890**	**36,152**
Total operating expenses	**23,357**	**25,341**	**23,935**	**22,347**	**24,498**	**23,429**
Income/(loss) from continuing operations before taxes, minority interests and extraordinary items	**(14,902)**	**13,740**	**14,319**	**(15,839)**	**12,165**	**12,820**
Income tax expense/(benefit)	(4,596)	1,248	2,394	(4,922)	844	2,141
Minority interests	(2,619)	4,738	3,630	(3,379) [1]	5,013	3,620
Income/(loss) from continuing operations before extraordinary items	**(7,687)**	**7,754**	**8,295**	**(7,538)**	**6,308**	**7,059**
Income/(loss) from discontinued operations, net of tax	(531)	6	3,056	(531)	6	(15)
Extraordinary items, net of tax	0	0	(24)	0	0	(24)
Net income/(loss)	**(8,218)**	**7,760**	**11,327**	**(8,069)** [1]	**6,314**	**7,020**

[1] Includes adjustments to the ownership interest of the Bank in a majority-owned consolidated subsidiary resulting from contributions to capital by the Bank. Group holds the remaining ownership interest in the subsidiary.

Comparison of consolidated balance sheets

		Group		Bank
end of	**2008**	2007	**2008**	2007
Balance sheet statistics (CHF million)				
Total assets	1,170,350	1,360,680	1,151,669	1,333,742
Total liabilities	1,138,048	1,317,481	1,124,801	1,302,408

Capitalization

	Group		Bank	
end of	**2008**	2007	**2008**	2007
Capitalization (CHF million)				
Due to banks	58,183	90,864	74,948	106,979
Customer deposits	296,986	335,505	267,010	307,598
Central bank funds purchased, securities sold under repurchase agreements and securities lending transactions	243,370	300,381	243,970	300,476
Long-term debt	150,714	160,157	148,550	157,282
Other liabilities	388,795	430,574	390,323	430,073
Total liabilities	**1,138,048**	**1,317,481**	**1,124,801**	**1,302,408**
Total shareholder's equity	32,302	43,199	26,868	31,334
Total capitalization	**1,170,350**	**1,360,680**	**1,151,669**	**1,333,742**

Capital adequacy

	Group		Bank	
end of	**2008**	2007	**2008**	2007
Capital (CHF million) [1]				
Tier 1 capital	34,208	34,737	34,192	32,254
of which hybrid instruments	12,140	4,136	11,897	3,514
Total BIS eligible capital	46,090	45,102	47,839	44,318
Capital ratios (%) [1]				
Tier 1 ratio	13.3	11.1	13.9	11.0
Total capital ratio	17.9	14.5	19.5	15.1

[1] Under Basel II from January 1, 2008. Prior periods are reported under Basel I and therefore are not comparable. For further information, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

Dividends of the Bank to Credit Suisse Group

end of	**2008**	2007
Per share issued (CHF)		
Dividend	0.23	59.10
Net income/(loss)	(50.90)	82.40

Registered shares of CHF 100.00 nominal value each. As of December 31, 2008, total share capital consisted of 43,996,652 registered shares.

Core Results

For 2008, we recorded a net loss of CHF 8,218 million, reflecting the extremely challenging operating environment. Private Banking had solid net revenues, evidencing the strength of our business. In Investment Banking, most of our businesses continued to be adversely affected by dislocated financial markets, including substantial negative trading results and valuation reductions in our leveraged finance and structured products businesses. In Asset Management, we had significant losses in private equity. Our results also reflect significant expenses from the accelerated implementation of our strategic plan and the agreement to sell part of the global investors business in Asset Management.

Results

			in		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net interest income	8,409	8,303	6,407	1	30
Commissions and fees	14,755	18,960	17,298	(22)	10
Trading revenues	(9,853)	6,146	9,374	–	(34)
Other revenues	(1,449)	1,130	1,401	–	(19)
Net revenues	**11,862**	**34,539**	**34,480**	(66)	–
Provision for credit losses	**813**	**240**	**(111)**	239	–
Compensation and benefits	13,179	15,982	15,467	(18)	3
General and administrative expenses	7,739 [1]	6,767	6,274 [2]	14	8
Commission expenses	2,294	2,410	2,091	(5)	15
Total other operating expenses	10,033	9,177	8,365	9	10
Total operating expenses	**23,212** [3]	**25,159**	**23,832**	(8)	6
Income/(loss) from continuing operations before taxes	**(12,163)**	**9,140**	**10,759**	–	(15)
Income tax expense/(benefit)	(4,596)	1,248	2,394	–	(48)
Minority interests	120	138	70	(13)	97
Income/(loss) from continuing operations	**(7,687)**	**7,754**	**8,295**	–	(7)
Income/(loss) from discontinued operations	(531)	6	3,056	–	(100)
Extraordinary items	0	0	(24)	–	100
Net income/(loss)	**(8,218)**	**7,760**	**11,327**	–	(31)
Statement of operations metrics (%)					
Compensation/revenue ratio	111.1	46.3	44.9	–	–
Non-compensation/revenue ratio	84.6	26.6	24.3	–	–
Cost/income ratio	195.7	72.8	69.1	–	–
Pre-tax income margin	(102.5)	26.5	31.2	–	–
Effective tax rate	37.8	13.7	22.3	–	–
Income margin from continuing operations	(64.8)	22.4	24.1	–	–
Net income margin	(69.3)	22.5	32.9	–	–
Number of employees (full-time equivalents)					
Number of employees	47,800	48,100	44,900	(1)	7

[1] Includes net provisions relating to ARS of CHF 766 million and a charge of CHF 190 million relating to the close-out of a client's account in Private Banking and releases from the reserve for certain private litigation matters of CHF 812 million, partially offset by a charge of CHF 272 million relating to the Parmalat settlement in Investment Banking. [2] Includes CHF 508 million of credits from insurance settlements for litigation and related costs in Investment Banking. [3] Includes costs relating to the accelerated implementation of our strategic plan of CHF 833 million.

Core Results include the results of our integrated banking organization and exclude revenues and expenses in respect of minority interests in which we do not have significant economic interest.

Results summary

In 2008, we recorded a net loss of CHF 8,218 million, compared to net income of CHF 7,760 million in 2007. The net loss in 2008 included a loss from discontinued operations of CHF 531 million relating to the agreement to sell part of the global investors business in Asset Management. Net revenues were CHF 11,862 million, down 66%, compared to 2007. Total operating expenses were CHF 23,212 million, down 8%.

Our 2008 results reflected the unprecedented disruption in the financial and credit markets. In Private Banking, net revenues evidenced the resilience of our business in this period of market turmoil. The Private Banking results included net non-credit-related provisions relating to ARS and a charge relating to the close-out of a client's account. In Investment Banking, we recorded a significant loss before taxes, including further net valuation reductions in our leveraged finance and structured products businesses. Other areas significantly impacted by the extreme market disruption included structured fixed income derivatives, leveraged finance trading, emerging markets trading, long/short and event and risk arbitrage equity trading strategies, equity derivatives and convertibles, all of which recorded significant losses compared to significant gains in 2007. We reported good results in our client-driven businesses, including flow-based rate and US and European high grade products, cash equities and prime services. Asset Management had a loss before taxes, reflecting significant private equity and other investment-related losses and losses on securities purchased from our money market funds.

We continued to reduce our exposures to assets most significantly impacted by the dislocation in the mortgage and credit markets and to securities purchased from our money market funds. Our results included fair value gains of CHF 4,988 million due to widening credit spreads on Credit Suisse debt, substantially all of which were recorded in Investment Banking.

Total operating expenses decreased mainly due to lower performance-related compensation, partly offset by costs of CHF 833 million associated with the acceleration of our strategic plan, recorded in the Corporate Center, and higher non-credit-related provisions in Wealth Management. In 2008, we recorded an income tax benefit due to the impact of the geographical mix of results in 2008 and the recognition of a tax benefit for the current period losses.

Assets under management from continuing operations were CHF 1,106.1 billion as of the end of 2008, a decrease of CHF 356.7 billion, or 24.4%, compared to the end of 2007, primarily reflecting adverse market and foreign exchange-related movements, net asset outflows in Asset Management and the closure of certain US money market funds. We had net asset outflows of CHF 63.3 billion in Asset Management and inflows of CHF 50.9 billion in Private Banking (CHF 42.2 billion in Wealth Management and CHF 8.7 billion in Corporate & Retail Banking).

Risk trends

In 2008, our overall position risk, measured on the basis of our economic capital model, decreased 22% compared to 2007, partially driven by the depreciation of the US dollar against the Swiss franc. Excluding the US dollar translation impact, position risk decreased 18%, primarily as a result of reductions in real estate & structured assets, due to lower commercial real estate exposures, and reductions in international lending & counterparty exposures, due to lower leveraged finance exposures. Average VaR for our trading books increased to CHF 178 million compared to CHF 115 million in 2007. For further information on risk trends, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management.

Subsequent events

In March 2009, the US District Court for the Southern District of Texas granted summary judgment in favor of all Credit Suisse entities, dismissing all pending claims and denying plaintiffs' motion to amend the Enron putative class action complaint. As a result, the Group released a further CHF 0.3 billion of the reserve for certain private litigation matters as of December 31, 2008. For further information, refer to Note 37 – Litigation.

In March 2009, the Group recorded additional provisions of CHF 0.3 billion as of December 31, 2008 for private legal proceedings relating to the sale of ARS in connection with its Private Banking business due to developments through March 2009.

Fair valuations

Fair value can be a relevant measurement for financial instruments when it aligns the accounting for these instruments with

Core Results reporting by division

	in			% change	
	2008	2007	2006	08 / 07	07 / 06
Net revenues (CHF million)					
Wealth Management	8,776	9,583	8,181	(8)	17
Corporate & Retail Banking	4,131	3,939	3,497	5	13
Private Banking	12,907	13,522	11,678	(5)	16
Investment Banking	(1,835)	18,958	20,469	–	(7)
Asset Management	496	2,016	2,247	(75)	(10)
Corporate Center	294	43	86	–	(50)
Net revenues	**11,862**	**34,539**	**34,480**	(66)	0
Provision for credit losses (CHF million)					
Wealth Management	120	3	(19)	–	–
Corporate & Retail Banking	13	(62)	(54)	–	15
Private Banking	133	(59)	(73)	–	(19)
Investment Banking	680	300	(38)	127	–
Asset Management	0	1	1	(100)	0
Corporate Center	0	(2)	(1)	100	100
Provision for credit losses	**813**	**240**	**(111)**	239	–
Total operating expenses (CHF million)					
Wealth Management	6,573	5,715	4,963	15	15
Corporate & Retail Banking	2,351	2,380	2,192	(1)	9
Private Banking	8,924	8,095	7,155	10	13
Investment Banking	11,335	15,009	14,556	(24)	3
Asset Management	1,623	1,818	1,872	(11)	(3)
Corporate Center	1,330	237	249	461	(5)
Total operating expenses	**23,212**	**25,159**	**23,832**	(8)	6
Income before taxes (CHF million)					
Wealth Management	2,083	3,865	3,237	(46)	19
Corporate & Retail Banking	1,767	1,621	1,359	9	19
Private Banking	3,850	5,486	4,596	(30)	19
Investment Banking	(13,850)	3,649	5,951	–	(39)
Asset Management	(1,127)	197	374	–	(47)
Corporate Center	(1,036)	(192)	(162)	440	19
Income/(loss) from continuing operations before taxes	**(12,163)**	**9,140**	**10,759**	–	(15)

Core Results reporting by region

			in		% change
	2008	2007	2006	08 / 07	07 / 06
Net revenues (CHF million)					
Switzerland	10,042	10,305	9,016	(3)	14
EMEA	220	10,921	9,604	(98)	14
Americas	643	9,410	12,668	(93)	(26)
Asia Pacific	663	3,860	3,106	(83)	24
Corporate Center	294	43	86	–	(50)
Net revenues	**11,862**	**34,539**	**34,480**	(66)	0
Income before taxes (CHF million)					
Switzerland	4,441	4,680	3,970	(5)	18
EMEA	(6,595)	3,155	2,323	–	36
Americas	(6,980)	139	3,714	–	(96)
Asia Pacific	(1,993)	1,358	914	–	49
Corporate Center	(1,036)	(192)	(162)	440	19
Income/(loss) from continuing operations before taxes	**(12,163)**	**9,140**	**10,759**	–	(15)

A significant portion of our business requires inter-regional coordination in order to facilitate the needs of our clients. The methodology for allocating our results by region is dependent on management judgment. For Wealth Management, results are allocated based on the management reporting structure of our relationship managers and the region where the transaction is recorded. For Investment Banking, trading results are allocated based on where the risk is primarily managed and fee-based results are allocated where the client is domiciled. For Asset Management, results are allocated based on the location of the investment advisors and sales teams.

how we manage our business. The levels of the fair value hierarchy as defined by the relevant accounting guidance are not a measurement of economic risk, but rather an indication of the observability of prices or valuation inputs. For further information, refer to Note 1 – Summary of significant accounting policies and Note 33 – Fair value of financial instruments in V – Consolidated financial statements – Credit Suisse Group.

The fair value of the majority of our financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, certain CP, most investment-grade corporate debt, certain high-yield debt securities, exchange-traded and certain OTC derivative instruments and most listed equity securities.

In addition, we hold financial instruments for which no prices are available and which have little or no observable inputs. For these instruments, the determination of fair value requires subjective assessment and varying degrees of judgment depending on liquidity, concentration, pricing assumptions, the current economic and competitive environment and the risks affecting the specific instrument. In such circumstances, valuation is determined based on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These instruments include certain OTC derivatives, most mortgage-related and CDO securities, certain equity derivatives and equity-linked securities, private equity investments, certain loans and credit products (including leveraged finance, certain syndicated loans and certain high-grade bonds) and life finance instruments.

As of the end of 2008, 55% and 41% of our total assets and total liabilities, respectively, were measured at fair value. As of the end of 2008, 8% and 5% of total assets and total liabilities were recorded as level 3, respectively, compared to 7% and 4%, respectively, as of the end of 2007. As of the end of 2008 and 2007, 15% and 11% of assets measured at fair value were recorded as level 3, respectively.

As of the end of 2008, our net level 3 assets were CHF 74.6 billion, of which 27% were loans and credit products, 24% were mortgage-related and CDO securities, 24% were private equity investments and 20% were equity derivatives and equity-linked securities. We do not have a significant economic interest in a large portion of the private equity investments classified in level 3.

While the majority of our level 3 assets are recorded in Investment Banking, some are recorded in Asset Management, specifically certain private equity investments. Models were used to value these products. Models are developed internally and are reviewed by functions independent of the front office to ensure they are appropriate for current market conditions. The models require subjective assessment and varying degrees of judgment depending on liquidity, concentration, pricing assumptions and risks affecting the specific

instrument. The models consider observable and unobservable parameters in calculating the value of these products, including certain indices relating to these products, which were extremely volatile during 2008. Consideration of these indices has become more significant in our valuation techniques as the market for these products has become less active.

For a description of our valuation techniques, refer to Note 33 – Financial instruments in V – Consolidated financial statements – Credit Suisse Group. There were no changes to our valuation techniques, however the market conditions in the second half of 2008, particularly with respect to credit products, resulted in increased reliance on the use of valuation models and market indices as the level of comparable market trades declined.

For all transfers to level 3, we determine and disclose as level 3 events any gains or losses as measured from the first day of the reporting period, even if the transfer occurred subsequent to the first day of the reporting period. For all transfers out of level 3, we determine and disclose as level 3 events any gains or losses through the last day of the reporting period, even if the transfer occurred prior to the last day of the reporting period. We believe this provides greater transparency over the financial impact of our level 3 assets and liabilities. We believe that the range of any valuation uncertainty, in the aggregate, would not be material to our financial condition.

For further information, refer to II – Operating and financial review – Investment Banking – Impact on results of the events in the mortgage and credit markets.

Results detail

The following provides a comparison of our 2008 results versus 2007 and 2007 results versus 2006.

Net revenues

In managing the business, revenues are evaluated in the aggregate, including an assessment of trading gains and losses and the related interest income and expense from financing and hedging positions. For this reason, individual revenue categories may not be indicative of performance.

2008 vs 2007: Down 66% from CHF 34,539 million to CHF 11,862 million

Net revenues declined in all three divisions compared to 2007.

In Private Banking, net revenues were down 5%. Net interest income increased 8%, mainly driven by higher revenues from deposits. Total non-interest income decreased 11%, mainly as a result of lower asset-based commissions and fees, reflecting the decline in average assets under management, and reduced transaction-based revenues, reflecting low client activity.

In Investment Banking, net revenues were negative as the widespread market disruption persisted throughout the year and intensified in the second half. Our combined leveraged finance and structured products businesses had net valuation reductions of CHF 10,923 million in 2008 compared to CHF 3,187 million in 2007. We had losses in structured fixed income derivatives, leveraged finance trading and emerging markets trading. Extreme volatility in the second half of the year adversely affected many of our businesses including long/short and event and risk arbitrage equity trading strategies, equity derivatives and convertibles, all of which recorded significant losses. We also had significantly higher valuation reductions in our corporate loan business, higher losses in commodities and net valuation reductions on our investments in the preferred shares and hybrid capital securities of certain financial institutions. The valuation reductions in our corporate loan business included a significant positive impact from a change in estimate of the value of the loans. We reported good results in our client-driven businesses, including flow-based rate and US and European high grade products, cash equities and prime services. The 2008 results also reflected fair value gains of CHF 4,654 million on Credit Suisse debt compared to fair value gains of CHF 1,111 million in 2007.

In Asset Management, net revenues were down 75%, primarily reflecting private equity and other investment-related losses of CHF 676 million, compared to gains of CHF 681 million in 2007, partially offset by lower losses of CHF 687 million on securities purchased from our money market funds, compared to losses of CHF 920 million in 2007. Net revenues before securities purchased from our money market funds and private equity and other investment-related gains/(losses) were down 18%, compared to 2007, primarily due to lower asset management fees driven by the 18.3% decline in average assets under management.

2007 vs 2006: Up from CHF 34,480 million to CHF 34,539 million

In Private Banking, net revenues were strong despite ongoing market turbulence and cautious investor behavior. Net interest income increased, benefiting mainly from lower funding costs and higher liability volumes and margins, offset in part by decreased asset margins due to ongoing competitive pressure. Total non-interest income increased mainly as a result of higher commissions and fees, particularly from recurring revenues from managed investment products and performance-based fees from Hedging-Griffo at Wealth Management and minority interests of a consolidated joint venture in our Corporate & Retail Banking business.

In Investment Banking, our equity and advisory businesses performed well, but our fixed income businesses were affected by weaker revenues including valuation reductions on structured products and leveraged loan commitments. Valuation reductions on our structured products and leveraged finance businesses were CHF 3,187 million in 2007. These valuation reductions include the revaluing of certain ABS positions in our CDO trading business. Fixed income trading revenues were significantly lower compared to 2006, reflecting significant valuation reductions, partly offset by strong performances in the interest rate products, fixed income proprietary trading and foreign exchange businesses. Equity trading benefited from strong performances in our global cash, prime services and derivative businesses. Fixed income and equity trading also benefited from fair value gains of CHF 1,111 million on Credit Suisse debt. Our advisory and equity underwriting businesses had higher revenues compared to 2006.

In Asset Management, net revenues were down, mainly reflecting valuation reductions of CHF 920 million from securities purchased from our money market funds. Before these valuation reductions, net revenues showed continued growth. Asset management and administrative fees were strong, reflecting growth in average assets under management during 2007, particularly in alternative investments and balanced assets. Performance-based fees increased significantly, primarily from Hedging-Griffo. Private equity revenues increased, reflecting the strength of our private equity franchise and lower funding costs. Private equity and other investment-related gains increased, primarily due to fair value gains on our investments.

Provision for credit losses

2008 vs 2007: Up from CHF 240 million to CHF 813 million

The increase was driven primarily by provisions for loans in Investment Banking made to various borrowers in Asia, with the majority of the increase related to a single borrower, additional provisions relating to a guarantee provided in a prior year to a third-party bank by Investment Banking and provisions in Private Banking on loans collateralized by securities relating to the forced deleveraging of numerous client positions in highly volatile equity markets.

2007 vs 2006: Up from CHF (111) million to CHF 240 million

The increase was due primarily to higher provisions relating to a guarantee provided in a prior year to a third-party bank by Investment Banking and fewer releases of provisions.

Operating expenses

Compensation and benefits

Compensation and benefits for a given year reflect the strength and breadth of the business results and staffing levels and include fixed components, such as salaries, benefits and the expense from share-based and other deferred compensation from prior-year awards, and a variable component. The variable component reflects the performance-based compensation for the current year. The portion of the performance-based compensation for the current year deferred through share-based and other awards is expensed in future periods and is subject to vesting and other conditions. For further information, refer to IV – Corporate governance – Compensation.

2008 vs 2007: Down 18% from CHF 15,982 million to CHF 13,179 million

The decrease was primarily due to lower performance-related compensation, reflecting the lower results and the deferral of compensation under the CRA program, and lower voluntary deferred compensation expenses, offset in part by CHF 596 million of severance and other compensation expenses associated with the accelerated implementation of our strategy and increased deferred compensation expense from prior-year share awards. We previously economically hedged voluntary deferred compensation with a derivative instrument, and the gains/losses on the underlying compensation liability were offset in compensation expenses by the losses/gains on the derivative. We now economically hedge with a cash instrument, and the gains/losses on the underlying compensation liability are recorded in compensation expenses and the losses/gains on the hedge are recorded in other revenues.

2007 vs 2006: Up 3% from CHF 15,467 million to CHF 15,982 million

The increase was due primarily to higher performance-related compensation and increased deferred compensation expense from prior-year share awards. Performance-related compensation reflected an increase in deferred share-based compensation for 2007. Salaries and benefits increased reflecting the higher headcount.

General and administrative expenses

2008 vs 2007: Up 14% from CHF 6,767 million to CHF 7,739 million

The increase reflected higher non-credit-related provisions, partially offset by a release of CHF 812 million of reserves for certain private litigation matters. The increase included net provisions of CHF 766 million relating to ARS and a CHF 190 million charge relating to the close-out of a client's account in Wealth Management. The net provisions related to ARS include proceeds from captive insurance settlements of CHF 150 million, the cost of which is included in Corporate Center. The increase also included higher expense provisions related to certain litigation matters in Investment Banking and non-credit-related provisions in Corporate & Retail Banking relating to our decision to buy back certain structured notes issued by Lehman Brothers. We recorded goodwill impairment charges

of CHF 82 million in Corporate Center, which related to certain non-integrated Investment Banking mortgage origination businesses that we are going to exit. The results in 2008 also reflected CHF 120 million of IT-related impairments and write-offs associated with the exit of certain businesses in line with the accelerated implementation of our strategy. We recorded CHF 60 million of impairments of intangible assets, primarily in Asset Management. Professional fees declined significantly, primarily in Investment Banking and Asset Management. Travel and entertainment expenses declined slightly, mainly in Investment Banking. Expenses continued to reflect higher infrastructure costs due to our international expansion in Wealth Management.

2007 vs 2006: Up 8% from CHF 6,274 million to CHF 6,767 million

The increase was primarily due to credits from insurance settlements of CHF 508 million in Investment Banking in 2006. This increase was partially offset by realignment costs of CHF 172 million in Asset Management in 2006. Excluding these credits from insurance settlements and realignment costs, general and administrative expenses increased CHF 119 million, or 2%, reflecting increased professional fees but lower costs across other expense categories. Professional fees increased, reflecting the international expansion and marketing and sales activities in Wealth Management and delayed or cancelled transactions in Investment Banking due to market conditions in the second half of 2007. Asset Management expenses were down primarily due to realignment costs incurred in 2006.

Income tax expense/(benefit)

2008 vs 2007: From CHF 1,248 million to CHF (4,596) million

The effective tax rate was 37.8% in 2008, representing a tax benefit on pre-tax losses, compared to 13.7% in 2007, which represented a tax expense on pre-tax income. The effective tax rate in 2008 primarily reflected the impact of the geographical mix of results and the recognition of a tax benefit for the current period losses, primarily in the US and UK. In addition, tax benefits of CHF 588 million and CHF 290 million were recorded in respect of the Swiss tax effect of the valuation reduction in the investment in subsidiaries and the reversal of the deferred tax liability recorded to cover estimated recapture of loss deductions arising from foreign branches of the Bank. These benefits were offset in part by increased valuation allowances against deferred tax assets in certain jurisdictions of CHF 1,756 million and a CHF 467 million foreign exchange translation loss relating to deferred tax assets recorded in UK entities under enacted UK tax law and denominated in British pounds, which differs from the functional currency of the reporting entities. The UK tax authorities have announced that this foreign exchange translation requirement will be amended in 2009, and we expect this impact to be reversed at that time. Net deferred tax assets were CHF 9,770 million as of the end of 2008, an increase of CHF 4,753 million compared to the end of 2007. The most significant net deferred tax assets arise in the US and UK, and these increased from CHF 5,009 million as of the end of 2007 to CHF 9,328 million, net of a valuation allowance of CHF 1,674 million in respect of the deferred tax assets held in a US entity, as of the end of 2008.

2007 vs 2006: Down 48% from CHF 2,394 million to CHF 1,248 million

The effective tax rate was 13.7% in 2007 compared to 22.2% in 2006. The reduction in the effective tax rate was due to the recognition of previously unrecognized deferred tax assets of CHF 512 million. Our tax rate was also favorably impacted by normal business-driven tax related items, including non-taxable income, the streamlining of certain legal entity structures and the geographic mix of pre-tax income, which was offset by an increase in the valuation allowance on deferred tax assets of CHF 690 million attributable to lower business results in certain entities.

Discontinued operations

As a result of the agreement to sell part of our Asset Management global investors business, the results of operations of the global investors business subject to the sale are reflected in discontinued operations, net of tax in the consolidated statements of operations. Discontinued operations include costs associated with the transaction and a charge on the allocated goodwill of CHF 577 million. Prior periods have been restated to conform to the current presentation.

Discontinued operations in 2006 included income of CHF 3,070 million from the sale of Winterthur.

Personnel

Headcount at the end of 2008 was 47,800, down 300 from the end of 2007. In December 2008, we announced bank-wide cost efficiency initiatives that are expected to result in a headcount reduction of approximately 5,300, or 11%, primarily in Investment Banking and related support functions. By the end of 2008, 2,600 of these reductions were made and reflected in the period-end headcount. We expect the remainder of the headcount reductions to be made by mid-2009. The decrease was partly offset by the strengthening of our front-office teams, with additional relationship managers in targeted markets of Wealth Management. For additional information on personnel, refer to IV – Corporate governance.

Key performance indicators

To benchmark our achievements, we have defined a set of KPIs for which we have targets to be achieved over a three to five year period across market cycles. In light of the accelerated implementation of our strategy and the current market conditions, we have revised certain of our KPIs.

Growth

In 2008, we announced a target for integrated bank collaboration revenues in excess of CHF 10 billion by 2010. For 2008, integrated bank collaboration revenues were CHF 5.2 billion. Going forward, we will target collaboration revenues in excess of CHF 10 billion annually by 2012.

For net new assets, we continue to target a growth rate above 6%. In 2008, we recorded a net new asset growth rate of (0.2)%.

Efficiency and performance

For total shareholder return, we continue to target superior share price appreciation plus dividends compared to our peer group. For 2008, total shareholder return was (56.1)%.

For return on equity, we targeted an annual rate of return of above 20%. In 2008, our return on equity was (21.1)%. Going forward, in light of the accelerated implementation of our strategic plan, we will target an annual return on equity above 18%.

We continue to target a Core Results cost/income ratio of 65%. Our Core Results cost/income ratio was 195.7% for 2008.

Risk and capital

For the BIS tier 1 ratio, we targeted a ratio of 10%. The BIS tier 1 ratio was 13.3% as of the end of 2008. Going forward, we will target a minimum BIS tier 1 ratio of 12.5%.

in / end of	**2008**	2007	2006
Growth			
Collaboration revenues (CHF billion)	5.2	5.9	4.9
Net new asset growth (%)	(0.2)	3.1	7.2
Efficiency and performance (%)			
Total shareholder return [1]	(56.1)	(17.8)	30.5
Return on equity	(21.1)	18.0	27.5
Core Results cost/income ratio	195.7	73.1	69.6
Risk and capital (%)			
BIS tier 1 ratio [2]	13.3	11.1	13.9

[1] The total return of an investor is measured by the capital gain/(loss) plus dividends received. [2] Under Basel II from January 1, 2008. Prior periods are reported under Basel I and therefore are not comparable. For further information, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Treasury management.

Private Banking

In 2008, we achieved solid net revenues of CHF 12,907 million despite the challenging operating environment and diminished investor confidence. Income before taxes was resilient at CHF 3,850 million, but declined 30% compared to 2007. Net new assets were CHF 50.9 billion.

Results

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues	**12,907**	**13,522**	**11,678**	(5)	16
Provision for credit losses	**133**	**(59)**	**(73)**	–	(19)
Compensation and benefits	4,260	4,529	4,038	(6)	12
General and administrative expenses	3,919 [1]	2,670	2,382	47	12
Commission expenses	745	896	735	(17)	22
Total other operating expenses	4,664	3,566	3,117	31	14
Total operating expenses	**8,924**	**8,095**	**7,155**	10	13
Income before taxes	**3,850**	**5,486**	**4,596**	(30)	19
Statement of operations metrics (%)					
Compensation/revenue ratio	33.0	33.5	34.6	–	–
Non-compensation/revenue ratio	36.1	26.4	26.7	–	–
Cost/income ratio	69.1	59.9	61.3	–	–
Pre-tax income margin	29.8	40.6	39.4	–	–
Utilized economic capital and return					
Average utilized economic capital (CHF million)	5,667	5,217	5,725	9	(9)
Pre-tax return on average utilized economic capital (%) [2]	68.6	105.9	81.7	–	–
Balance sheet statistics (CHF million)					
Total assets	374,771	376,800	340,741	(1)	11
Net loans	174,880	175,506	163,670	0	7
Goodwill	765	975	791	(22)	23
Number of employees (full-time equivalents)					
Number of employees	24,400	23,200	22,200	5	5

[1] Includes net provisions relating to ARS of CHF 766 million and a charge of CHF 190 million relating to the close-out of a client's account in Wealth Management. [2] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

	in / end of			% change	
	2008	2007	2006	08 / 07	07 / 06
Net revenue detail (CHF million)					
Net interest income	5,157	4,788	4,095	8	17
Total non-interest income	7,750	8,734	7,583	(11)	15
Net revenues	**12,907**	**13,522**	**11,678**	**(5)**	**16**

Results summary

For 2008, we reported income before taxes of CHF 3,850 million, down 30% compared to 2007. In spite of the market conditions, we achieved solid net revenues of CHF 12,907 million, down 5%. Total non-interest income decreased 11%, mainly driven by lower transaction-based commissions and fees, affected by a substantial decrease in client activity. Additionally, asset-based commissions and fees in Wealth Management declined, mainly from managed investment products, driven by a decrease in average assets under management. Net interest income increased 8%, mainly driven by higher revenues on deposits. Provision for credit losses resulted in net provisions of CHF 133 million, primarily on loans collateralized by securities in Wealth Management in the fourth quarter, compared to net releases of CHF 59 million in 2007. Total operating expenses were CHF 8,924 million, up 10%, compared to 2007, mainly driven by CHF 766 million of net provisions relating to ARS in the second half of 2008 and a charge of CHF 190 million relating to the close-out of a client's account. This impact was partially offset by a 6% decrease in compensation and benefits and a 17% decrease in commission expenses.

Assets under management as of the end of 2008 were CHF 788.9 billion, down CHF 206.5 billion, or 20.7%, compared to the end of 2007, mainly reflecting adverse market and foreign exchange-related movements, offset in part by net new assets of CHF 50.9 billion in 2008, compared to CHF 53.5 billion in 2007. Wealth Management contributed CHF 42.2 billion and Corporate & Retail Banking contributed CHF 8.7 billion in 2008. Net new assets in Wealth Management were adversely affected by significant deleveraging in the fourth quarter.

In 2007, income before taxes was a record CHF 5,486 million, up 19% compared to 2006. Net revenues were also a record CHF 13,522 million, up 16%. Net interest income increased, benefiting mainly from lower funding costs and higher deposit volumes and margins, offset in part by decreasing lending margins, still faced with ongoing competitive pressure. Total non-interest income increased mainly as a result of higher commissions and fees, particularly recurring revenues from managed investment products in Wealth Management and minority interests of a consolidated joint venture in our Corporate & Retail Banking business. Provision for credit losses resulted in net releases of CHF 59 million, compared to net releases of CHF 73 million in 2006. Total operating expenses were CHF 8,095 million, up 13%, compared to 2006. This was mainly driven by higher personnel and business costs associated with the international expansion of our Wealth Management business, higher commission expenses, higher marketing and sales activities and expenses related to the minority interests of the consolidated joint venture.

Wealth Management

During 2008, we continued to strengthen our franchise in both developed and emerging markets. Despite the difficult operating environment, we reported solid net revenues of CHF 8,776 million and net new assets of CHF 42.2 billion. For 2008, income before taxes was CHF 2,083 million, down 46% from 2007, and included significant non-credit related provisions in the second half of the year.

Results

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues	**8,776**	**9,583**	**8,181**	(8)	17
Provision for credit losses	**120**	**3**	**(19)**	–	–
Compensation and benefits	2,975	3,177	2,780	(6)	14
General and administrative expenses	2,969 [1]	1,770	1,571	68	13
Commission expenses	629	768	612	(18)	25
Total other operating expenses	3,598	2,538	2,183	42	16
Total operating expenses	**6,573**	**5,715**	**4,963**	15	15
Income before taxes	**2,083**	**3,865**	**3,237**	(46)	19
Statement of operations metrics (%)					
Compensation/revenue ratio	33.9	33.2	34.0	–	–
Non-compensation/revenue ratio	41.0	26.5	26.7	–	–
Cost/income ratio	74.9	59.6	60.7	–	–
Pre-tax income margin	23.7	40.3	39.6	–	–
Utilized economic capital and return					
Average utilized economic capital (CHF million)	2,097	1,755	1,876	19	(6)
Pre-tax return on average utilized economic capital (%) [2]	100.9	222.5	176.6	–	–
Balance sheet statistics (CHF million)					
Total assets	262,019	268,871	229,731	(3)	17
Net loans	71,481	76,265	69,156	(6)	10
Goodwill	584	794	610	(26)	30
Number of employees (full-time equivalents)					
Number of employees	15,400	14,300	13,400	8	7
Number of relationship managers					
Switzerland	1,140	1,100	1,080	4	2
EMEA	1,340	1,220	1,090	10	12
Americas	580	470	420	23	12
Asia Pacific	420	350	230	20	52
Number of relationship managers	**3,480**	**3,140**	**2,820**	11	11

[1] Includes net provisions relating to ARS of CHF 766 million and a charge of CHF 190 million relating to the close-out of a client's account. [2] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

	in / end of			% change	
	2008	2007	2006	08 / 07	07 / 06
Net revenue detail (CHF million)					
Net interest income	2,672	2,446	1,916	9	28
Total non-interest income	6,104	7,137	6,265	(14)	14
Net revenues	**8,776**	**9,583**	**8,181**	(8)	17
Net revenue detail (CHF million)					
Recurring	6,532	6,637	5,378	(2)	23
Transaction-based	2,244	2,946	2,803	(24)	5
Net revenues	**8,776**	**9,583**	**8,181**	(8)	17
Gross and net margin on assets under management (bp)					
Recurring	86	80	74	–	–
Transaction-based	29	35	38	–	–
Gross margin	**115**	**115**	**112**	–	–
Net margin (pre-tax)	**27**	**47**	**44**	**–**	**–**

Operating environment

The financial crisis worsened in 2008. In the first half of the year, higher commodity prices, particularly in energy and agricultural products, led to reduced consumer spending and higher global inflation. Investors became more risk averse and increased their defensive positions in money market instruments and other short-term investment strategies. These developments were reflected in lower client activity.

The second half of the year proved even more challenging, with a global economic slowdown and evidence of recession in the US, Europe and Japan. In this environment, central banks cooperated in unprecedented joint actions in an effort to provide financial markets with sufficient liquidity. However, investor confidence deteriorated substantially and risk aversion drove client investment decisions. Investors sought to rebalance their portfolios and there was significant deleveraging in the fourth quarter, as clients repaid loans in response to unprecedented market dislocation and volatility. The further weakening of the US dollar and the euro against the Swiss franc created additional pressure and significantly affected our average assets under management.

Results summary

In 2008, income before taxes was CHF 2,083 million, down 46%, compared to 2007. Net revenues of CHF 8,776 million were solid, but down 8%, driven by lower recurring and transaction-based revenues. However, we benefited from our strong capital base and our integrated bank model, as high-net-worth individuals continued to seek the service of experienced wealth managers providing holistic solutions. Recurring revenues, which represented 74% of net revenues, decreased 2%, as higher net interest income, mainly driven by higher revenues on deposits, was more than offset by lower asset-based commissions and fees, particularly from managed investment products, reflecting an 8.1% decrease in average assets under management. Transaction-based revenues decreased 24%, mainly due to lower brokerage and product issuing fees and foreign exchange income from client transactions, reflecting low client activity. Provision for credit losses was CHF 120 million, primarily on loans collateralized by securities during the fourth quarter's extreme volatility. Total operating expenses were CHF 6,573 million, up 15%, driven by net provisions relating to ARS of CHF 766 million and a charge relating to the close-out of a client's account of CHF 190 million in the second half of the year. Compensation and benefits declined 6%, primarily reflecting lower performance-related compensation. Total other operating expenses also reflected higher infrastructure costs related to international expansion in our key markets. Commission expenses decreased 18%, reflecting the lower client activity.

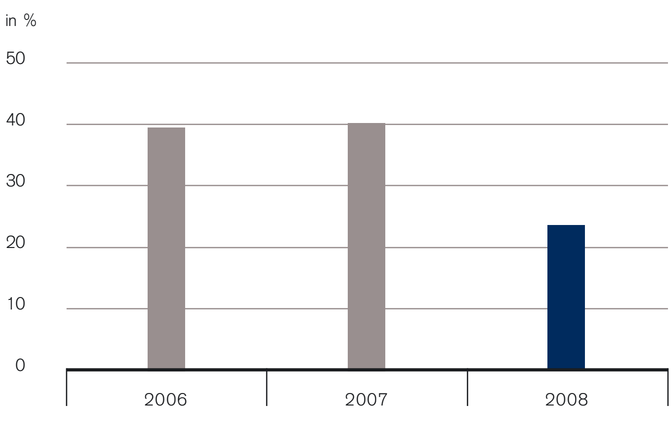
Assets under management as of the end of 2008 were CHF 646.0 billion, down CHF 192.6 billion, or 23.0%, from the end of 2007, primarily impacted by adverse market and

foreign exchange-related movements, partially offset by net new assets during the period. Net new assets were CHF 42.2 billion in 2008, with strong contributions from the Americas and EMEA. Continued strong net client inflows throughout the year were negatively affected by significant deleveraging of CHF 11.8 billion in the fourth quarter.

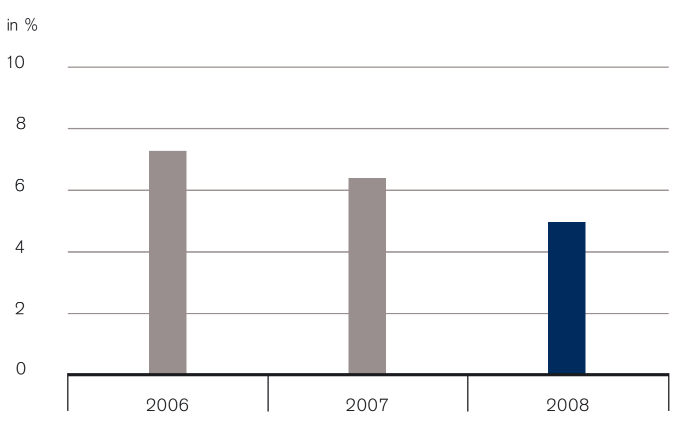
Performance indicators

Pre-tax income margin (KPI)
Our target over market cycles is a pre-tax income margin above 40%. In 2008, the pre-tax income margin was 23.7%, compared to 40.3% in 2007.

Pre-tax income margin



Net new asset growth



Net new asset growth rate (KPI)
Our target over market cycles is a growth rate over 6%. We achieved a growth rate of 5.0% in 2008, compared to 6.4% in 2007. The slower growth in net new assets mainly reflected the significant deleveraging in the fourth quarter.

Gross margin
Our gross margin in 2008 was 115 basis points, stable compared to 2007, as net revenues decreased in line with the 8.1% decrease in average assets under management. In 2008, the recurring margin increased by six basis points, compared to 2007, mainly due to higher net interest income, partially offset by lower asset-based commissions and fees. The transaction-based margin decreased six basis points, impacted by the decline in brokerage and product issuing fees, reflecting lower client activity.

Results detail

The following provides a comparison of our 2008 results versus 2007 and 2007 results versus 2006.

Net revenues
Recurring
Recurring revenues arise from recurring net interest income, commissions and fees, including performance-based fees, related to assets under management and custody assets, as well as fees for general banking products and services.
2008 vs 2007: Down 2% from CHF 6,637 million to CHF 6,532 million
The decrease was driven by lower asset-based commissions and fees, mainly from managed investment products, as average assets under management declined 8.1%. The decrease in asset-based revenues was partly offset by higher net interest income driven by higher margins on deposits. The increase in net interest income reflected slightly higher average deposit volumes and slightly lower revenues from lending, as lending increased but margins declined.
2007 vs 2006: Up 23% from CHF 5,378 million to CHF 6,637 million
The increase was driven by higher net interest income, mostly from lower funding costs and higher deposit volumes and margins, and higher commissions and fees, mainly from managed investment products and performance-based fees from Hedging-Griffo.

Assets under management – Wealth Management

	in / end of			% change	
	2008	2007	2006	08 / 07	07 / 06
Assets under management (CHF billion)					
Assets under management	**646.0**	**838.6**	**784.2**	(23.0)	6.9
of which discretionary assets	126.7	182.7	177.6	(30.7)	2.9
of which advisory assets	519.3	655.9	606.6	(20.8)	8.1
Assets under management by currency (CHF billion)					
USD	258.1	333.8	330.9	(22.7)	0.9
EUR	200.8	244.3	221.2	(17.8)	10.4
CHF	122.9	156.1	152.4	(21.3)	2.4
Other	64.2	104.4	79.7	(38.5)	31.0
Assets under management	**646.0**	**838.6**	**784.2**	(23.0)	6.9
Assets under management by region (CHF billion)					
Switzerland	252.7	339.3	321.1	(25.5)	5.7
EMEA	242.6	308.3	282.0	(21.3)	9.3
Americas	102.2	122.6	127.0	(16.6)	(3.5)
Asia Pacific	48.5	68.4	54.1	(29.1)	26.4
Assets under management	**646.0**	**838.6**	**784.2**	(23.0)	6.9
Net new assets by region (CHF billion)					
Switzerland	3.0	10.3	12.2	(70.9)	(15.6)
EMEA	14.2	23.1	23.0	(38.5)	0.0
Americas	16.6	7.3	11.8	127.4	(38.1)
Asia Pacific	8.4	9.5	3.5	(11.6)	171.4
Net new assets	**42.2**	**50.2**	**50.5**	(15.9)	(0.6)
Growth in assets under management (CHF billion)					
Net new assets	42.2	50.2	50.5	–	–
Market movements	(176.7)	38.1	51.1	–	–
Currency	(54.1)	(23.1)	(9.5)	–	–
Other	(4.0)	(10.8) [1,2]	(1.2)	–	–
Total other effects	(234.8)	4.2	40.4	–	–
Growth in assets under management	**(192.6)**	**54.4**	**90.9**	–	–
Growth in assets under management (%)					
Net new assets	5.0	6.4	7.3	–	–
Total other effects	(28.0)	0.5	5.8	–	–
Growth in assets under management	**(23.0)**	**6.9**	**13.1**	**–**	**–**

[1] Includes CHF 14.1 billion of assets under management relating to the acquisition of Hedging-Griffo. [2] Includes CHF 21.6 billion of corporate cash now reported only in client assets.

Transaction-based

Transaction-based revenues arise primarily from brokerage fees, product issuing fees, foreign exchange income from client transactions and other transaction-based income.

2008 vs 2007: Down 24% from CHF 2,946 million to CHF 2,244 million

The decrease was mainly driven by lower brokerage and product issuing fees and foreign exchange income from client transactions, reflecting low client activity.

2007 vs 2006: Up 5% from CHF 2,803 million to CHF 2,946 million

The increase was mainly driven by higher brokerage fees, foreign exchange income from client transactions and product issuing fees, partly offset by lower revenues in the US due to the market dislocation in the second half of 2007.

Provision for credit losses

2008 vs 2007: From CHF 3 million to CHF 120 million

The increase primarily reflected provisions on loans collateralized by securities relating to the forced deleveraging of numerous client positions in highly volatile equity markets during the fourth quarter.

2007 vs 2006: From CHF (19) million to CHF 3 million

Provision for credit losses reflected a low level of net provisions. 2006 included releases from the resolution of a single exposure.

Operating expenses

Compensation and benefits

2008 vs 2007: Down 6% from CHF 3,177 million to CHF 2,975 million

The decrease was due to lower performance-related compensation, reflecting the lower results and the deferral of compensation under the CRA program, offset in part by higher salaries and related benefits due to the growth in headcount, including relationship managers.

2007 vs 2006: Up 14% from CHF 2,780 million to CHF 3,177 million

The increase mainly reflected growth in headcount, particularly strategic hiring made in the front office, higher salaries and related benefits as well as higher performance-related compensation, including higher deferred compensation expense from prior-year share awards. Performance-related compensation reflected an increase in deferred share-based compensation for 2007.

General and administrative expenses

2008 vs 2007: Up 68% from CHF 1,770 million to CHF 2,969 million

The increase was mainly driven by non-credit-related provisions, including CHF 766 million of net provisions relating to ARS and a charge of CHF 190 million relating to the close-out of a client's account. Expenses also continued to reflect higher infrastructure costs due to our international expansion.

2007 vs 2006: Up 13% from CHF 1,571 million to CHF 1,770 million

The increase mainly reflected higher front- and back-office infrastructure costs due to the international expansion and higher marketing and sales activities.

Personnel

Headcount as of the end of 2008 was 15,400, up 1,100 from 2007, and up 2,000 from 2006. The increase from 2007 reflected the strengthening of our front-office teams, with an increase of 340 relationship managers, primarily in EMEA, the Americas and Asia Pacific.

Corporate & Retail Banking

Our results in 2008 reflected continued profitable growth even as the Swiss economy began to exhibit signs of deterioration in the fourth quarter. We achieved record net revenues of CHF 4,131 million and record income before taxes of CHF 1,767 million.

Results

	in / end of			% change	
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues	**4,131** [1]	**3,939**	**3,497**	5	13
Provision for credit losses	**13**	**(62)**	**(54)**	–	15
Compensation and benefits	1,285	1,352	1,258	(5)	7
General and administrative expenses	950	900 [2]	811	6	11
Commission expenses	116	128	123	(9)	4
Total other operating expenses	1,066	1,028	934	4	10
Total operating expenses	**2,351**	**2,380**	**2,192**	(1)	9
Income before taxes	**1,767**	**1,621**	**1,359**	9	19
Statement of operations metrics (%)					
Compensation/revenue ratio	31.1	34.3	36.0	–	–
Non-compensation/revenue ratio	25.8	26.1	26.7	–	–
Cost/income ratio	56.9	60.4	62.7	–	–
Pre-tax income margin	42.8	41.2	38.9	–	–
Utilized economic capital and return					
Average utilized economic capital (CHF million)	3,570	3,462	3,849	3	(10)
Pre-tax return on average utilized economic capital (%) [3]	49.5	46.9	35.4	–	–
Balance sheet statistics (CHF million)					
Total assets	112,752	107,929	111,010	4	(3)
Net loans	103,399	99,241	94,514	4	5
Goodwill	181	181	181	0	0
Number of employees (full-time equivalents)					
Number of employees	9,000	8,900	8,800	1	1

[1] Includes fair value gains on a synthetic collateralized loan portfolio of CHF 110 million. [2] Includes releases of non-credit-related provisions of CHF 37 million. [3] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Net revenue detail (CHF million)					
Net interest income	2,485	2,342	2,179	6	7
Total non-interest income	1,646 [1]	1,597	1,318	3	21
Net revenues	**4,131**	**3,939**	**3,497**	5	13
Number of branches					
Number of branches	220	216	215	2	0

[1] Includes fair value gains on a synthetic collateralized loan portfolio of CHF 110 million.

Operating environment

The Swiss economic environment remained resilient during the first three quarters of 2008, but contracted in the fourth quarter. Consumer confidence decreased as unemployment increased, though in a less pronounced manner when compared to most European and other major international economies. Concerns over inflation persisted during the first half of 2008, but declined towards the end of the year due to lower commodity prices and slowing growth.

Macroeconomic indicators showed a downward trend, reflecting the global slowdown in growth, which intensified in the third quarter with the collapse of Lehman Brothers. To address this situation, central banks shifted their focus from the prevention of inflation to a far less restrictive monetary policy. The SNB held key interest rates steady through September but reduced its target rate for three-month Swiss franc LIBOR four times in the fourth quarter.

Results summary

In 2008, income before taxes was a record CHF 1,767 million and net revenues were a record CHF 4,131 million, demonstrating the resilience of our business model. Net interest income increased 6%, mainly driven by higher revenues on deposits. Total non-interest income was up 3%, positively impacted by fair value gains of CHF 110 million on the Clock Finance No.1 synthetic collateralized loan portfolio, offset in part by a decrease in commissions and fees, reflecting lower client activity and lower average assets under management. Provision for credit losses was CHF 13 million, compared to net releases of CHF 62 million in 2007. Total operating expenses decreased slightly to CHF 2,351 million, as lower compensation and benefits were partly offset by higher general and administrative expenses. For 2008, net new assets of CHF 8.7 billion were more than double the CHF 3.3 billion achieved in 2007, mainly benefiting from inflows in the institutional pension funds and private client business.

Performance indicators

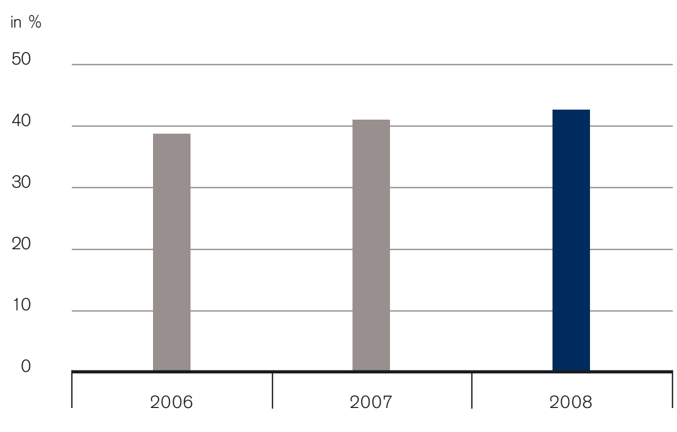
Pre-tax income margin (KPI)

Our target over market cycles is a pre-tax income margin above 40%. In 2008, our pre-tax income margin was 42.8%, compared to 41.2% in 2007.

Cost/income ratio

In 2008, the cost/income ratio was 56.9%, compared to 60.4% in 2007.

Pre-tax income margin



Pre-tax return on average utilized economic capital

In 2008, the pre-tax return on average utilized economic capital was 49.5%, compared to 46.9% in 2007.

Results detail

The following provides a comparison of our 2008 results versus 2007 and 2007 results versus 2006.

Net revenues

Net interest income

2008 vs 2007: Up 6% from CHF 2,342 million to CHF 2,485 million

The increase was mainly driven by higher revenues on deposits, reflecting higher average deposit volumes and higher deposit margins, and slightly lower revenues from lending, as margins declined but volumes increased.

2007 vs 2006: Up 7% from CHF 2,179 million to CHF 2,342 million

The increase was mainly due to higher deposit volumes and margins and lower funding costs, partially offset by lower asset margins impacted by the ongoing competitive pressure.

Total non-interest income

2008 vs 2007: Up 3% from CHF 1,597 million to CHF 1,646 million

The increase reflected higher trading revenues, which were driven by fair value gains of CHF 110 million from the Clock Finance No. 1 transaction. This impact was partially offset by lower commissions and fees, reflecting low client activity and the decline in average assets under management.

2007 vs 2006: Up 21% from CHF 1,318 million to CHF 1,597 million

The increase was mainly due to higher commissions and fees, primarily related to minority interests of a consolidated joint venture.

Provision for credit losses

2008 vs 2007: From CHF (62) million to CHF 13 million

We recorded net provisions of CHF 13 million, reflecting a lower level of releases. In 2008, we recorded provisions of CHF 148 million and releases of CHF 135 million, compared to provisions of CHF 157 million and releases of CHF 219 million in 2007.

2007 vs 2006: From CHF (54) million to CHF (62) million

We reported net releases in 2007 supported by the favorable credit environment.

Operating expenses

Compensation and benefits

2008 vs 2007: Down 5% from CHF 1,352 million to CHF 1,285 million

The decrease reflected lower performance-related compensation due to the deferral of compensation under the CRA program and a slight decrease in salaries.

2007 vs 2006: Up 7% from CHF 1,258 million to CHF 1,352 million

The increase was driven by higher personnel costs related to increased headcount and higher salaries and related benefits, partially offset by lower performance-related compensation due to an increase in deferred share-based compensation for 2007.

General and administrative expenses

2008 vs 2007: Up 6% from CHF 900 million to CHF 950 million

The increase was due to higher non-credit-related provisions, reflecting our decision to buy back certain clients' Lehman Brothers structured notes, offset in part by lower professional services, sales and marketing, infrastructure and IT costs.

2007 vs 2006: Up 11% from CHF 811 million to CHF 900 million

Higher costs were mainly due to increased expenses related to minority interests of a consolidated joint venture, offset in part by releases of non-credit-related provisions in 2007.

Investment Banking

During 2008, Investment Banking reported a loss before taxes of CHF 13,850 million. Negative net revenues of CHF 1,835 million declined significantly from 2007 levels. The decline in revenues was primarily due to substantial negative trading results and valuation reductions of CHF 10,923 million in the leveraged finance and structured products businesses, as the dislocation in the credit and mortgage markets was exacerbated in 2008 and affected most of our businesses. Our results included CHF 4,654 million of fair value gains on Credit Suisse debt.

Results

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues	**(1,835)**	**18,958**	**20,469**	–	(7)
Provision for credit losses	**680**	**300**	**(38)**	127	–
Compensation and benefits	7,177	10,191	10,261	(30)	(1)
General and administrative expenses	2,817 [1]	3,435	3,077 [2]	(18)	12
Commission expenses	1,341	1,383	1,218	(3)	14
Total other operating expenses	4,158	4,818	4,295	(14)	12
Total operating expenses	**11,335**	**15,009**	**14,556**	(24)	3
Income/(loss) before taxes	**(13,850)**	**3,649**	**5,951**	–	(39)
Statement of operations metrics (%)					
Compensation/revenue ratio	–	53.8	50.1	–	–
Non-compensation/revenue ratio	–	25.4	21.0	–	–
Cost/income ratio	–	79.2	71.1	–	–
Pre-tax income margin	–	19.2	29.1	–	–
Utilized economic capital and return					
Average utilized economic capital (CHF million)	17,197	20,125 [3]	19,037	(15)	6
Pre-tax return on average utilized economic capital (%) [4]	(79.8)	19.2 [3]	33.5	–	–
Balance sheet statistics (CHF million)					
Total assets	976,713	1,140,740	1,046,557	(14)	9
Net loans	60,837	64,892	44,285	(6)	47
Goodwill	6,972	7,465	7,809	(7)	(4)
Number of employees (full-time equivalents)					
Number of employees	19,700	20,600	18,700	(4)	10

[1] Includes a release from the reserve for certain private litigation matters of CHF 812 million, partially offset by a charge of CHF 272 million related to the Parmalat settlement. [2] Includes CHF 508 million of credits from insurance settlements for litigation and related costs. [3] Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends. [4] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

		in		% change	
	2008	2007	2006	08 / 07	07 / 06
Net revenue detail (CHF million)					
Debt underwriting [1]	429	1,864	2,206	(77)	(16)
Equity underwriting	813	1,444	1,270	(44)	14
Total underwriting	1,242	3,308	3,476	(62)	(5)
Advisory and other fees	1,482	2,253	1,900	(34)	19
Total underwriting and advisory	**2,724**	**5,561**	**5,376**	(51)	3
Fixed income trading [1]	(5,256)	6,084	9,598	–	(37)
Equity trading	1,614	7,751	5,881	(79)	32
Total trading	**(3,642)**	**13,835**	**15,479**	–	(11)
Other [1]	(917)	(438)	(386)	109	13
Net revenues	**(1,835)**	**18,958**	**20,469**	–	(7)
Average one-day, 99% Value-at-Risk (CHF million)					
Interest rate and credit spread	148	72	56	106	29
Foreign exchange	22	26	19	(15)	37
Commodity	36	17	10	112	70
Equity	65	80	59	(19)	36
Diversification benefit	(94)	(81)	(65)	16	25
Average one-day, 99% Value-at-Risk	**177**	**114** [2]	**79**	55	44

[1] Refer to the table "Net valuation adjustments". [2] Does not reflect the valuation reductions from revaluing certain ABS positions in our CDO trading business, as we do not consider the impact of these valuation reductions to be material to our economic capital, position risk, VaR or related trends.

Operating environment

The operating environment in 2008 was extremely difficult due to the continued dislocation in the credit and financial markets that began in the third quarter of 2007. The problems in these markets spread throughout the financial services industry, causing unprecedented events and a dramatic shift in the investment banking business model. The second half of the year was especially turbulent, following historic and unprecedented events in the third quarter of 2008 that had severe repercussions for the global financial system and markets.

In the third quarter, the financial services sector witnessed extraordinary changes to the competitive landscape due to consolidation and government intervention. The temporary restrictions on short selling of financial institution stocks exacerbated fluctuation in those stock prices as liquidity deteriorated, further disrupting the orderly functioning of the equity markets and severely impacting the convertible bond market.

In the fourth quarter, the market disruption that marked the third quarter intensified. Data released in the quarter showed that several major economies entered a recession in the third quarter, while the National Bureau of Economic Research stated that the US economy had been in a recession since December 2007. As fear over the state of the economy outweighed inflation concerns in the second half of 2008, central banks around the world lowered interest rates, with many of them, including the Fed, the ECB and the BoE, announcing multiple rate cuts. Throughout the fourth quarter, equity markets were extremely volatile as indicated by the VIX, which reached a new high in November. In addition to the volatility, there was substantial basis risk from the divergence between the cash and synthetic markets. Credit spreads widened dramatically, reaching record highs in all sectors in the fourth quarter.

Equity markets, which had already weakened substantially through the first half of the year, dropped even further in the second half of 2008. In 2008, the DOW and S&P 500 declined 34% and 39%, respectively, while in the second half of the year, the DOW and the S&P 500 declined 23% and 29%, respectively. In the US, equity trading volumes increased 44%, while fixed income trading volume decreased 2%, from 2007.

Lower equity valuations and general market uncertainty severely impacted debt and equity origination volumes. Global debt and equity underwriting volumes registered annual declines of 37% and 33%, respectively, and were down 53% and 37%, respectively, compared to the first half of the year. Further, 2008 had the lowest number of IPOs globally since

Dealogic began tracking the statistics in 1995. The US dollar volume of announced mergers and acquisitions declined 30% from 2007.

Results summary

For 2008, the loss before taxes was CHF 13,850 million compared to income before taxes of CHF 3,649 million for 2007. Negative net revenues were CHF 1,835 million, compared to revenues of CHF 18,958 million for 2007. We had significantly lower revenues in most areas of Investment Banking, reflecting the widespread market disruption, which persisted throughout the year and intensified in the second half.

Results in 2008 were negatively impacted by the dislocation in the structured products and credit markets, which led to significantly lower fixed income trading results compared to 2007. In addition, extreme volatility and the restrictions on short selling in the second half of the year adversely affected many of our other fixed income and equity trading businesses.

Fixed income trading losses in 2008 primarily reflected net valuation reductions in our leveraged finance and structured products businesses and losses in structured derivatives, leveraged finance trading and emerging markets trading. We also had significantly higher valuation reductions in our corporate loan business. The corporate loan business included a significant positive impact from a change in estimate of the value of loans that emphasizes index-derived recovery rate and default assumptions over indicative consensus prices, as the illiquidity of these positions made indicative consensus prices less relevant. We had significantly higher revenues in flow-based rate and US and European high grade products and solid results in life finance. Fixed income also benefited from fair value gains of CHF 4,188 million due to widening credit spreads on Credit Suisse debt.

Equity trading revenues declined substantially, primarily due to significant losses in convertibles, equity derivatives and long/short and event and risk arbitrage equity trading strategies compared to significant revenues in 2007. These results were partially offset by good performances in cash equities and prime services. Equity trading benefited from fair value gains of CHF 466 million due to widening credit spreads on Credit Suisse debt.

Our underwriting and advisory businesses had lower revenues compared to 2007, reflecting a decline in overall market activity and lower revenues from the private fund group.

Total operating expenses decreased CHF 3,674 million, primarily reflecting a 30% decline in compensation and benefits and a 14% decline in other operating expenses. Provision for credit losses increased due to provisions against loans made to various borrowers in Asia, as well as higher provisions related to a guarantee provided in a prior year to a third-party bank.

The weakening of the average rate of the US dollar against the Swiss franc from 2007 favorably impacted expenses and losses. For information on foreign currency translation rates, refer to X – Investor information.

For 2007, income before taxes was CHF 3,649 million, down CHF 2,302 million, or 39%, compared to 2006. Net revenues were CHF 18,958 million, down CHF 1,511 million, or 7%, compared to 2006. We achieved higher revenues in equity trading, advisory and other fees and equity underwriting, but had significantly lower revenues in fixed income trading and debt underwriting, reflecting the severe market dislocations in the second half of 2007. Total operating expenses increased 3%, primarily reflecting credits from insurance settlements for litigation and related costs of CHF 508 million recorded in 2006. The weakening of the average rate of the US dollar against the Swiss franc adversely affected revenues and favorably impacted expenses.

Results in 2007 were negatively impacted by the dislocation in the structured products and credit markets in the second half of the year, which led to significantly lower fixed income trading results compared to 2006, partly offset by strong performances in emerging markets trading and interest rate products in the US and Europe. Our debt underwriting revenues were also negatively impacted by the adverse market conditions in the structured products and credit markets. Equity trading benefited from strong performances in the global cash, prime services, derivatives and proprietary trading businesses. Fixed income and equity trading also benefited from fair value gains of CHF 1,111 million due to widening credit spreads on Credit Suisse debt. Our advisory and other fees and equity underwriting businesses had higher revenues compared to 2006.

Impact on results of the events in the mortgage and credit markets

In 2008, the continuing dislocation in the structured products and credit markets led to significantly lower revenues in our leveraged finance and structured products businesses, consisting of CMBS, RMBS and subprime CDO. Our leveraged finance and structured products businesses had net valuation reductions of CHF 10,923 million in 2008. The risk exposures for the leveraged finance and structured products business reflect a risk management rather than a financial reporting perspective.

Selected risk exposures

end of	2008	2007	% change
Origination-related positions (CHF billion) [1]			
Unfunded commitments	0.3	24.8	(99)
Funded positions	0.6	10.0	(94)
Equity bridges	0.0	0.3	(100)
Leveraged finance	**0.9** [2]	**35.1**	(97)
Commercial mortgages	**8.8** [3]	**25.9**	(66)
Trading book-related positions (CHF billion) [4]			
US subprime	1.9	6.2	(69)
US Alt-A	0.6	2.8	(79)
US prime	0.6	1.4	(57)
European/Asian	2.0	2.9	(31)
Residential mortgages and subprime CDO	**5.1**	**13.3**	(62)

[1] Exposures shown gross. [2] Excludes an aggregate of CHF 1.8 billion of fair valued non-recourse term financing for executed transactions. Fair value gains and losses on this term financing are reflected in net valuation adjustments in leveraged finance. Refer to the table "Net valuation adjustments". Excludes impact of the PAF transaction of CHF 1.3 billion. [3] Excludes an aggregate of CHF 1.6 billion of term financing for executed transactions, of which CHF 0.3 billion is non-recourse, the sale of CHF 0.2 billion of loans on a trade-date basis and the impact of the PAF transaction of CHF 1.2 billion. [4] Exposures shown net.

Net valuation adjustments

in	2008	2007
Net valuation adjustments (CHF million)		
Leveraged finance	(3,526)	(835)
of which reported in debt underwriting [1]	(200)	31
of which reported in fixed income trading [2]	(3,212)	(311)
of which reported in other [3]	(114)	(555)
CMBS (reported in fixed income trading) [4]	(3,320)	(554)
RMBS and subprime CDO	(4,077)	(1,798)
of which reported in debt underwriting [5]	39	(380)
of which reported in fixed income trading [6]	(4,116)	(1,418)
Total	**(10,923)**	**(3,187)**

[1] Includes fee revenues/(losses). [2] Valuation gains/(reductions) (including fees, hedges, interest on funded positions, recoveries and executed transactions) on loan commitments. [3] Valuation gains/(reductions) (including fees, hedges, interest on funded positions, recoveries and executed transactions) on bridge loan commitments. [4] Valuation gains/(reductions) (including fees, hedges, interest on funded positions and executed transactions). [5] Valuation gains/(reductions) (including hedges) on subprime CDO origination assets. [6] Valuation gains/(reductions) (including fees, hedges and interest on funded positions) on RMBS and subprime CDO warehousing and synthetic assets.

Leveraged finance

The leveraged finance business, including origination and trading activities and net valuation adjustments, had losses of CHF 4,885 million in 2008, compared to revenues of CHF 1,022 million in 2007, as the market dislocation that began in the second half of 2007 intensified throughout 2008.

2008 revenues included net valuation reductions (including fees, hedges, interest on funded positions and recoveries) of CHF 3,526 million, reflecting continued adverse credit market conditions and the reversal of valuation reductions relating to an expired commitment to a single borrower. Our unfunded non-investment grade loan commitments (both leveraged loan and bridge) were CHF 0.3 billion (USD 0.3 billion) as of the end of 2008 versus CHF 24.8 billion (USD 22.0 billion) as of the end of 2007, including the expiration of a significant commitment to a single borrower. Our funded non-investment grade loans (both leveraged loan and bridge) were CHF 0.6 billion (USD 0.5 billion) as of the end of 2008 versus CHF 10.0 billion (USD 8.8 billion) as of the end of 2007. We have actively pursued reductions in our total exposures through sales and syndications and risk reduction through the PAF compensation plan. Our gross valuation reductions (net of fees and terminations) were CHF 1,590 million.

Structured products

Our structured products businesses had losses of CHF 6,879 million in 2008 compared to losses of CHF 823 million in 2007.

Our CMBS business had net valuation reductions (including fees, hedges, interest on funded positions and executed transactions) of CHF 3,320 million in 2008, reflecting continued lack of liquidity and downward pressure on valuations. Our gross valuation reductions (net of fees) were CHF 4,434 million. Our CMBS origination gross exposure was CHF 8.8 billion (USD 8.3 billion) as of the end of 2008 versus CHF 25.9 billion (USD 22.9 billion) as of the end of 2007. We have actively pursued reductions in our exposure through sales of loans and securities and risk reductions through the PAF compensation plan. The loans are secured by real estate and are to a diverse range of borrowers in Europe, the US and Asia, with a large majority of loans performing despite property credit fundamentals becoming more stressed.

Our combined RMBS and subprime CDO origination warehousing and synthetic business had net valuation reductions (including fees, hedges and interest on funded positions) of CHF 4,077 million in 2008. Combined RMBS and subprime CDO exposures were CHF 5.1 billion (USD 4.8 billion) as of the end of 2008 versus CHF 13.3 billion (USD 11.8 billion) as of the end of 2007. The RMBS and CDO businesses are managed as a trading book on a net basis, and the related gross long and short positions are monitored as part of our risk management activities and price testing procedures.

League table positions

in / end of	2008	2007	2006
League table rank / market share (% – rounded) [1]			
Global fee pool [2]	7 / 5%	7 / 5%	4 / 6%
High-yield [3]	3 / 11%	2 / 11%	3 / 12%
Investment-grade [3]	12 / 4%	13 / 3%	13 / 3%
Asset-backed [3]	8 / 3%	10 / 5%	8 / 5%
Mortgage-backed [3]	2 / 11%	4 / 7%	5 / 7%
Total debt underwriting [3]	7 / 4%	11 / 4%	8 / 5%
IPO [2]	8 / 5%	3 / 8%	4 / 7%
Follow-on [2]	7 / 6%	7 / 6%	7 / 6%
Convertible [2]	10 / 4%	9 / 5%	11 / 4%
Total equity underwriting [2]	7 / 5%	7 / 6%	7 / 6%
Announced mergers and acquisitions [3]	7 / 17%	6 / 20%	6 / 19%
Completed mergers and acquisitions [3]	7 / 19%	8 / 18%	8 / 15%

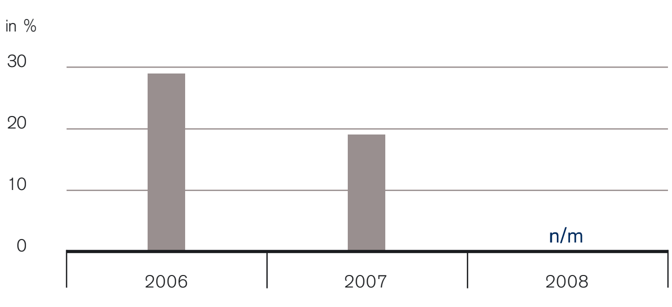
[1] Volume-based, except global fee pool [2] Dealogic [3] Thomson Financial

Performance indicators

Pre-tax income margin
Our target over market cycles is a pre-tax income margin of 30% or greater. The 2008 pre-tax income margin was not meaningful given our losses, reflecting the extremely challenging operating environment. The pre-tax income margin was 19.2% in 2007. Going forward, we will target over market cycles a pre-tax income margin of 25% or greater.

Compensation/revenue ratio
The 2008 compensation/revenue ratio was not meaningful given our losses compared to 53.8% in 2007. Compensation and benefits for a given year are determined by the strength and breadth of the business results, staffing levels and the impact of share-based compensation programs.

Pre-tax income margin



Value-at-Risk
The 2008 average one-day, 99% VaR was CHF 177 million compared to CHF 114 million in 2007. For further information on VaR for Credit Suisse, refer to III – Treasury, Risk, Balance sheet and Off-balance sheet – Risk management.

Pre-tax return on average utilized economic capital
The 2008 pre-tax return on average utilized economic capital was negative 79.8% compared to 19.2% in 2007.

Results detail

The following provides a comparison of our 2008 results versus 2007 and 2007 results versus 2006.

Net revenues

Debt underwriting

2008 vs 2007: Down 77% from CHF 1,864 million to CHF 429 million

The decrease was primarily due to the significantly weaker performance in the leveraged finance business resulting from lower levels of high-yield and leveraged lending issuance activity and higher valuation reductions in leveraged finance, offset in part by improved performance in the structured products business compared to valuation reductions in 2007. Despite a significant decline in the demand for most fixed income securities due to continued weakness in the credit markets, revenues from high grade and emerging markets were stable.

2007 vs 2006: Down 16% from CHF 2,206 million to CHF 1,864 million
The decrease was primarily due to weaker performance in the structured products businesses, which were negatively impacted by valuation reductions on our CDO assets. The dislocation in the credit markets resulted in lower levels of high-yield and leveraged-lending issuance activity in 2007, but leveraged finance underwriting revenues increased slightly due to the strong performance in the first half of 2007.

Equity underwriting

2008 vs 2007: Down 44% from CHF 1,444 million to CHF 813 million
The decrease was primarily due to a 33% decline in industry-wide equity issuance volumes, compared to record industry-wide equity issuance volumes in 2007, and a decline in market share. 2008 had the lowest number of IPOs globally since Dealogic began tracking the statistics in 1995.

2007 vs 2006: Up 14% from CHF 1,270 million to CHF 1,444 million
The increase was primarily due to record industry-wide equity issuance volumes, resulting from higher activity in IPOs, convertible issuances and follow-on offerings, and improved market share.

Advisory and other fees

2008 vs 2007: Down 34% from CHF 2,253 million to CHF 1,482 million
The decrease was primarily due to a decline in industry-wide mergers and acquisitions activity and a decline in revenues from the private fund group, which raises capital for hedge funds, private equity funds and real estate funds.

2007 vs 2006: Up 19% from CHF 1,900 million to CHF 2,253 million
Record revenues reflected a significant increase in industry-wide mergers and acquisitions activity and increased market share. Revenues from the private fund group were solid but lower than the prior year, reflecting the decline in financial sponsor activity in the second half of 2007.

Fixed income trading

2008 vs 2007: Down from CHF 6,084 million to CHF (5,256) million
The decrease was primarily due to higher net valuation reductions of CHF 10,648 million in our combined structured products and leveraged finance businesses compared to valuation reductions of CHF 2,283 million in 2007. Results also reflected losses in certain businesses, compared to significant revenues in 2007, reflecting the significantly more adverse conditions in the second half of 2008. We had losses in our emerging markets businesses compared to significant revenues in 2007, resulting from price declines in several markets reflecting widening credit spreads in the second half of 2008. We had significant losses in structured derivatives compared to good revenues in 2007, primarily reflecting losses associated with structured foreign exchange derivatives in Asia in the fourth quarter and losses resulting from the sharp shift in the Euro yield curve in June. In the fourth quarter, we had leveraged finance trading losses of CHF 451 million relating to businesses we are exiting, specifically European trading and several discontinued trading strategies in the US, and losses of CHF 362 million driven by the US loan trading business, which experienced unprecedented price declines. In addition, we had losses in our fixed income proprietary trading business compared to strong revenues in 2007. We had higher valuation reductions in our corporate loan business, reflecting valuation reductions of CHF 3.2 billion offset in part by a CHF 1.8 billion positive impact from the change in estimate of the value of the loans. We had net valuation reductions on our investments in the preferred shares and hybrid capital securities of certain financial institutions and in our non-subprime CDO business, primarily reflecting a decline in market values for collateralized loan obligation securities. We also had higher losses in our commodities business in the power and energy sector. These results were partially offset by fair value gains of CHF 4,188 million on Credit Suisse debt, significantly higher revenues in flow-based rates and US and European high grade products, positive revenues in RMBS compared to negative results in 2007 and higher revenues in our life finance business.

2007 vs 2006: Down 37% from CHF 9,598 million to CHF 6,084 million
The decrease was driven by weaker results, including valuation reductions in both the structured products and leveraged finance businesses. The structured products results reflected valuation reductions on our residential and commercial loan assets and CDO warehousing and synthetic CDO assets, stemming from price declines, decreased liquidity in the market and limited trading activity. The leveraged finance losses reflected fair value reductions on our loan commitments. The commodities business recorded lower revenues due to poor trading performance in the power and gas sectors. These results were partly offset by solid performances in emerging markets trading and interest rate products in the US and Europe. In addition, fixed income trading benefited from fair value gains of CHF 1,000 million on Credit Suisse debt.

Equity trading

2008 vs 2007: Down 79% from CHF 7,751 million to CHF 1,614 million
The decrease was primarily driven by losses in the second half of 2008 in certain businesses that had significant revenues in 2007. Losses in the second half of 2008 included CHF 1,725 million in the convertibles business, driven by the restrictions on short selling of financial institutions, which severely impacted the convertible bond market, and CHF 1,120 million in long/short event and risk arbitrage trading strategies. The decline was also driven by losses of CHF 1,815 million in the

fourth quarter in equity derivatives stemming from losses in the structured derivatives businesses, most of which we are reducing, and corporate and flow derivatives, resulting from highly volatile market conditions and counterparty-related defaults. In addition, our non-US cash equities businesses had lower revenues compared to a very strong 2007. These results were partially offset by a significantly stronger performance in prime services, due to growth in client mandates, and in our US cash equities business which benefited from higher revenues in our AES® business. Equity trading results also included fair value gains of CHF 466 million on Credit Suisse debt.

2007 vs 2006: Up 32% from CHF 5,881 million to CHF 7,751 million

Record revenues reflected strong performances in our cash, prime services and equity derivatives businesses. The global cash business benefited from increased deal activity, higher trading volumes and a strong performance by AES®. Prime services had a strong year, with growth in client balances as well as new client mandates. Equity derivatives had solid performances in all regions. The results were partially offset by lower revenues in our equity proprietary trading and convertibles businesses. In addition, equity trading benefited from fair value gains of CHF 111 million on Credit Suisse debt.

Other

2008 vs 2007: Down 109% from CHF (438) million to CHF (917) million

The decrease was due to losses from private equity-related investments not managed as part of Asset Management, compared to significant gains in 2007, and the impact of economic hedging of voluntary deferred compensation, partially offset by lower valuation reductions on our bridge commitments.

2007 vs 2006: Down 13% from CHF (386) million to CHF (438) million

The decrease was due to valuation reductions on our bridge commitments, partly offset by higher gains from private equity-related investments not managed as part of Asset Management.

Provision for credit losses

2008 vs 2007: Up 127% from CHF 300 million to CHF 680 million

The increase was driven by provisions against loans made to various borrowers in Asia, with the majority of the increase related to a single borrower, as well as higher provisions relating to a guarantee provided in a prior year to a third-party bank. A portion of these provisions was offset by gains on credit defaults swaps recorded in trading revenues. In addition, we expect additional loss mitigation from insurance coverage.

2007 vs 2006: From CHF (38) million to CHF 300 million

The increase was primarily due to higher provisions relating to a guarantee provided in a prior year to a third-party bank.

Operating expenses

Compensation and benefits

2008 vs 2007: Down 30% from CHF 10,191 million to CHF 7,177 million

The decrease was primarily due to lower performance-related compensation costs resulting from lower revenues as well as the deferral of compensation under the CRA program and lower voluntary deferred compensation expense. We previously economically hedged voluntary deferred compensation with a derivative instrument, and the gains/losses on the underlying compensation liability were offset in compensation expenses by the losses/gains on the derivative. We now economically hedge with a cash instrument, and the gains/losses on the underlying compensation liability are recorded in compensation expenses and the losses/gains on the hedge are recorded in other revenues. The decrease also reflected a reduction in salary expense.

2007 vs 2006: Down 1% from CHF 10,261 million to CHF 10,191 million

The decrease included lower performance-related compensation costs resulting from lower revenues and higher deferred share-based compensation for 2007. This decrease was mostly offset by higher salaries and deferred compensation expense for prior-year share awards.

General and administrative expenses

2008 vs 2007: Down 18% from CHF 3,435 million to 2,817 million

The decrease primarily reflected a decline in expense provisions, as releases from our reserve for certain private litigation matters of CHF 812 million were partially offset by a charge of CHF 272 million related to the Parmalat settlement and higher litigation expense provisions. In addition, due to a slowdown in market activity, professional fees declined due to lower business and tax services fees and lower fees paid to recruiting firms. Other general and administrative expenses were stable, reflecting our continued focus on cost management.

2007 vs 2006: Up 12% from CHF 3,077 million to CHF 3,435 million

The increase reflected the 2006 credits from insurance settlements of CHF 508 million. Excluding these credits, general and administrative expenses declined CHF 150 million, or 4%, reflecting the progress made on cost management initiatives in 2007. Market conditions in the second half of 2007 and related delayed or cancelled transactions increased professional fees and travel and entertainment expenses, with lower recoveries from client-related travel.

Personnel

Headcount at the end of 2008 was 19,700, down 900 from 2007, reflecting a portion of the headcount reductions in conjunction with the acceleration of our strategic plan. We are targeting Investment Banking headcount of 17,500 by year-end 2009.

Asset Management

The financial and credit market dislocation intensified in 2008 and adversely impacted our results. We recorded a loss before taxes of CHF 1,127 million, including private equity and other investment-related losses of CHF 676 million and net losses on securities purchased from our money market funds of CHF 687 million.

Results

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues	**496**	**2,016**	**2,247**	(75)	(10)
Provision for credit losses	**0**	**1**	**1**	(100)	0
Compensation and benefits	884 [1]	1,084	952 [1]	(18)	14
General and administrative expenses	580 [2]	526	731 [2]	10	(28)
Commission expenses	159	208	189	(24)	10
Total other operating expenses	739	734	920	1	(20)
Total operating expenses	**1,623**	**1,818**	**1,872**	(11)	(3)
Income/(loss) before taxes	**(1,127)**	**197**	**374**	–	(47)
Statement of operations metrics (%)					
Compensation/revenue ratio	178.2	53.8	42.4	–	–
Non-compensation/revenue ratio	149.0	36.4	40.9	–	–
Cost/income ratio	327.2	90.2	83.3	–	–
Pre-tax income margin	(227.2)	9.8	16.6	–	–
Utilized economic capital and return					
Average utilized economic capital (CHF million)	2,469	2,185	1,712	13	28
Pre-tax return on average utilized economic capital (%) [3]	(43.9)	11.5	28.3	–	–
Balance sheet statistics (CHF million)					
Total assets	21,580	27,784	20,448	(22)	36
Goodwill	1,593	2,442	2,423	(35)	1
Number of employees (full-time equivalents)					
Number of employees	3,000	3,600	3,400	(17)	6

[1] Includes severance costs of CHF 47 million and CHF 53 million for 2008 and 2006, respectively, relating to realignments. [2] Includes an impairment charge on acquired intangible assets of CHF 41 million and CHF 140 million for 2008 and 2006, respectively, and CHF 32 million of professional fees relating to the realignment for 2006. [3] Calculated using a return excluding interest costs for allocated goodwill.

Results (continued)

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Net revenue detail (CHF million)					
Private equity	306	275	180	11	53
Real estate	242	248	183	(2)	36
Credit strategies	109	137	90	(20)	52
Hedge fund strategies	196	352	342	(44)	3
Other [1]	215	114	48	89	138
Alternative investment strategies	**1,068**	**1,126**	**843**	(5)	34
Multi-asset class solutions	574	680	560	(16)	21
Equities	43	62	32	(31)	94
Fixed income	97	165	123	(41)	34
Other [2]	77	222	187	(65)	19
Traditional investment strategies	**791**	**1,129**	**902**	(30)	25
Securities purchased from our money market funds	**(687)**	**(920)**	**0**	(25)	–
Net revenues before private equity and other investment-related gains/(losses)	**1,172**	**1,335**	**1,745**	(12)	(23)
Private equity and other investment-related gains/(losses)	(676)	681	502	–	36
Net revenues	**496**	**2,016**	**2,247**	(75)	(10)
Gross and net margin on assets under management (bp)					
Gross margin before private equity and other investment-related gains/(losses)	**23**	**21**	**32**	–	–
Gross margin on private equity and other investment-related gains/(losses)	(13)	11	9	–	–
Gross margin	**10**	**32**	**41**	–	–
Net margin (pre-tax)	**(22)**	**3**	**7**	–	–

[1] Includes Hedging-Griffo. [2] Includes institutional pension advisory business and Credit Suisse (Brazil).

Operating environment

The operating environment for asset management was significantly affected by the exceptionally poor market conditions that began in the third quarter of 2007 and worsened in 2008. 2008 was an extraordinarily difficult year in financial markets, and the fourth quarter had unprecedented levels of volatility and significant declines in equity markets globally. The asset management industry was strained in 2008, with pressure on assets under management, profitability and margins due to poor market performance, net asset outflows and shifts from higher margin products into less complex, low-margin products.

The private equity industry experienced significant valuation reductions, with a majority of private equity listed funds trading at significant discounts to net asset value. The higher cost and reduced availability of credit adversely affected private equity activity. Real estate valuations came under pressure in several countries, including most notably where overleveraged markets were deflating. Given the increase in correlations between asset classes, the demand for multi-asset class products fell, and poor performance discouraged client flows into absolute return funds. Liquidity in credit markets deteriorated throughout the year, while credit spreads increased dramatically, adversely impacting the private equity and hedge fund industry. The hedge fund industry was further hit by client redemptions and poor performance. After a strong performance in 2007 and the first half of 2008, commodity prices fell sharply, and commodity funds and commodity-linked equity funds saw major client outflows.

The major capital flow into government bonds led to global fixed income being the top performing asset class in 2008. Towards the end of 2008, client positions in cash, cash equivalents and government bonds were at a record high level.

In equities, symmetry across sectors and geographies rose sharply during the second half of 2008, with most developed markets down more than 40% for the year. Capital flows to US and Japanese bonds led to underperformance in emerging equity markets, with Russia and China among the worst.

Strategic collaboration with Aberdeen Asset Management

We continued to implement our strategy to focus on high-margin, scalable businesses and to reduce our cost base. As part of this strategy, we announced in December the sale of the majority of our global investors business in Europe (excluding Switzerland), the US and Asia Pacific in a strategic collaboration with Aberdeen, one of the UK's leading institutional asset managers, for up to a maximum of 24.9% of the share capital of Aberdeen. The transaction is subject to regulatory approvals in various jurisdictions, and is expected to close in the second quarter of 2009. The business to be sold comprised assets under management of CHF 67.9 billion as of the end of 2008 (CHF 74.9 billion as of November 30, 2008), as well as 400 employees who will transfer to Aberdeen during the course of the year.

The global investors business to be sold to Aberdeen, including the costs associated with the transaction and a charge on the allocated goodwill, has been presented as discontinued operations and therefore has not been included in the Asset Management results. Prior periods have been restated to conform to the current presentation.

Results summary

In 2008, the loss before taxes was CHF 1,127 million, down CHF 1,324 million, compared to income before taxes of CHF 197 million in 2007. Losses from private equity and other investments were CHF 676 million compared to gains of CHF 681 million in 2007. The vast majority of these were unrealized losses concentrated in middle-market private equity investments related to the real estate, distressed debt, financial services, commodity and energy sectors. Losses on securities purchased from our money market funds were CHF 687 million, compared to losses of CHF 920 million in 2007. We continued to manage down our exposure to securities purchased from our money market funds, with exposure of CHF 567 million as of the end of 2008, compared to CHF 3,921 million as of the end of 2007.

Net revenues were CHF 496 million, down CHF 1,520 million, or 75%, compared to 2007. Net revenues of CHF 1,859 million before securities purchased from our money market funds and private equity and other investment-related gains/(losses) were down CHF 396 million, or 18%, compared to 2007, mainly due to significantly lower asset management fees driven by the 18.3% decline in average assets under management (refer to the table "Results before securities purchased from our money market funds"). Revenues from alternative investment strategies declined 5%, as stable asset management fees were offset by losses associated with hedge fund strategies and an impairment on our investment in Ospraie. Revenues from traditional investment strategies declined 30%, compared to 2007, primarily reflecting the significant decline in average assets under management, lower performance fees and an impairment charge on a Korean joint venture.

Total operating expenses were CHF 1,623 million, down CHF 195 million, or 11%, compared to 2007, primarily reflecting significantly lower performance-related compensation and lower professional fees, partly offset by impairment charges on acquired intangible assets.

Assets under management were CHF 411.5 billion as of the end of 2008, down CHF 187.9 billion, or 31.3%, compared to 2007, primarily reflecting negative market performance, net asset outflows and adverse foreign exchange-related movements. Net asset outflows in 2008 of CHF 63.3 billion included outflows of CHF 74.8 million in traditional investment strategies, partly offset by net inflows of CHF 11.5 billion in alternative investment strategies. Net asset outflows included CHF 26.6 billion in institutional pension advisory, CHF 17.1 billion in multi-asset class solutions, CHF 14.8 billion in fixed income and CHF 13.5 billion in money market assets.

In 2007, income before taxes was CHF 197 million, down 47%, compared to 2006, reflecting valuation reductions of CHF 920 million from securities purchased from our money market funds, mostly offset by increased revenues from alternative investments and multi-asset class solutions and higher private equity and other investment-related gains. Our results were also positively impacted by the acquisition of Hedging-Griffo. Before the valuation reductions, income before taxes was CHF 1,117 million (refer to the table "Results before securities purchased from our money market funds"). Total operating expenses were CHF 1,818 million, a decrease of 3%, compared to 2006. Assets under management were CHF 599.4 billion as of the end of 2007, up from CHF 587.5 billion as of the end of 2006, primarily reflecting CHF 16.6 billion assets under management from Hedging-Griffo and positive market movements of CHF 11.4 billion.

Securities purchased from our money market funds

In the second half of 2007, we repositioned our money market funds by purchasing securities of CHF 9,286 million from these funds with the intent to eliminate SIV, ABS, CDO and US subprime exposure. The securities transactions were exe-

Results before securities purchased from our money market funds

			in / end of		% change
	2008	2007	2006	08 / 07	07 / 06
Statements of operations (CHF million)					
Net revenues before private equity and other investment-related gains/(losses)	**1,859**	**2,255**	**1,745**	(18)	29
Private equity and other investment-related gains/(losses)	(676)	681	502	–	36
Net revenues	**1,183**	**2,936**	**2,247**	(60)	31
Provision for credit losses	**0**	**1**	**1**	(100)	0
Compensation and benefits	884	1,084	952	(18)	14
Total other operating expenses	739	734	920	1	(20)
Total operating expenses	**1,623**	**1,818**	**1,872**	(11)	(3)
Income/(loss) before taxes	**(440)**	**1,117**	**374**	–	199
Statement of operations metrics (%)					
Compensation/revenue ratio	74.7	36.9	42.4	–	–
Non-compensation/revenue ratio	62.5	25.0	40.9	–	–
Cost/income ratio	137.2	61.9	83.3	–	–
Pre-tax income margin	(37.2)	38.0	16.6	–	–
Gross and net margin on assets under management (bp)					
Gross margin before private equity and other investment-related gains/(losses)	**36**	**36**	**32**	–	–
Gross margin on private equity and other investment-related gains/(losses)	(13)	11	9	–	–
Gross margin	**23**	**47**	**41**	–	–
Net margin (pre-tax)	**(9)**	**18**	**7**	–	–

Management believes that results before securities purchased from our money market funds is meaningful as it more appropriately reflects the performance of the ongoing business.

Gains/(losses) on securities purchased from our money market funds

in / end of	**2008**	2007	% change
Gains/(losses) (CHF million)			
Realized gains/(losses)	(36)	(113)	(68)
Unrealized gains/(losses)	(792)	(807)	(2)
Net gains/(losses) [1]	**(828)**	**(920)**	(10)
Other	141 [2]	0	–
Securities purchased from our money market funds	**(687)**	**(920)**	(25)

[1] Includes net interest income. [2] Includes hedging gains of CHF 189 million and losses of CHF 48 million relating to cash infusions and costs associated with the closing of our money market funds.